Friday September 9 1988

Britain underlines

opposition to EC

tax harmony plan

BRITAIN yesterday underlined

its fierce opposition to the European Commission's pro-

posals to harmonise indirect

taxes among the 12 by 1992 and detailed—its own "market-based" approach to achieving a single European market.

In a paper sent to other Com-munity finance ministers, Mr Nigel Lawson, UK Chancellor

of the Exchequer, called for large reductions in border con-

trois and for progressive moves towards the elimination of restrictions on cross-border

restrictions on cross-border shopping.

The paper, which drew a sceptical reaction from the Brussels-based Commission, said that the UK would be prepared to reintroduce deferred payment of value added taxes (VAT) on imports as part of a Europe-wide reduction in border controls.

der controls.

Ironically, tha Chancellor switched Britain to a system of immediate VAT payments at the border in order to raise rev-

enue in his 1985 budget. A

return to the previous system would involve a one-off cost to

Britain of £1.5bn (\$2.53bn). The proposals appear to fall substantially short of the "area

without internal frontiers" envisaged by srticle 8A of the EC Treaty. They also underline

the UK's determination to keep

border controls to maintain checks for drugs, terrorists and

gle European market in 1992.

In a warmly received speech

to the Trades Union Congress

in Bournemouth, Mr Delors stressed that 1992 had to have

a social dimension. His mes-sage was in sharp contrast to the views of UK Prime Minister

Margaret Thatcher, who regards the Commission's pro-

posals on the issue as social

engineering. He told the TUC: "1992 is

much more than the creation of an internal market abolish-

ing barriers to the free move-

ment of goods, services and

"To capture the potential gains, it is necessary to work together. Your movement has

By Tony Walker in Cairo

PRESIDENT Hosni Muherak of

Egypt has launched an extraor-

Egypt has subched an extraor-dinary attack on the Interna-tional Monetary Fund just as his Government is engaged in delicate talks in Cairo with Fund officials.

Mr Muberak Henned the IMF

to an unqualified doctor, and charged that it prescribes a "huge dose" of medicine that is detrimental to the health of the

reveal the frustrations the

health reasons.

In a first response yesterday the Commission said that it proposed that in order to

By Philip Bassett, Labour Editor, in Bournemouth

MR JACQUES DELORS, a major role to play: Europa

President of the European meets you."

President of the European meets you."

If was impossible to build Europe on deregulation alone, the said. The Community would aspects of the creation of a sin-

would study "to what extent the UK's ideas can be recon-ciled with the Single European

Act's commitment to abolish

Act's communent to aboush controls at the Community's frontiers," but displayed little enthusiasm for the ideas.

Mr Lawson, who hopes that his paper will set the agenda for talks on the issue at a meeting of Community finance ministers in Crete later this month, said that his plan would provide for "increasing."

would provide for "increasing scope for market forces to influence tax rates" rather than "rigid, centrally dictated

The Community's members

would be free to set their own indirect tax rates but the phas-

ing out of restrictions on cross-border shopping would create market pressures

towards convergence. Duty-free allowances would eventu-ally be abolished.

ally be abolished.

An exception to this laisser faire approach would be the treatment of alcohol and tobacco, where health considerations dictated that governments should be able to main-

tain an interventionist stance.

British unions give Delors

tion as well as by competition.

Measures to complete the market should not diminish social protection in European

member states. He said that because the internal market should benefit everyone in it, it

was "necessary to improve workers' living and working conditions, and to provide bet-ter protection for their health and safety at work."

He said there should be a

general principle that every worker had the right to be cov-ered by a collective agreement,

along with specific measures on the status of temporary workers aimed at struggling

against the dismantling of the labour market.

Mubarak attacks IMF over

stance on Egyptian economy

iencing in its discussions with the IMF. The Fund is insisting

on faster progress towards reforms of Egypt's debt-bur-

dened economy.

Talks between Egyptian and
IMF officials, which began in
Cairo at the weekend, are said
to be slow. The IMF is pressing

Egypt to increase energy prices, restrain the budget defi-cit and unity its various official

warm reception on 1992

indirect rates".

US PRESIDENCY Masterminds behind the campaigns

World News

UK postal strike talks make more progress

Post Office management and union leaders made further progress yesterday at informaltalks on how to end the strike which has all but paralysed Britain's mail service. The Driver and Vehicle Licensing Centre in Swansea warned it might lay off as many as 1,000 staff if the dispute continued.

Human rights split France distanced itself from West Germany, in publicly attaching a higher priority to the human rights chapter of the current East-West security talks in Vienna. Page 3

Argentine strike Argentines are today due to stage their 12th general strike-since President Raul Alfonsin

took office in December 1983.

Mainysia 'injustice' The Malaysian Bar Council said that "a grave injustice" had been done to Tun Salleh Abas, Malaysia's former top judge, who was sacked by the King last month after a tribunal found him guilty of miscon-

S Korea riot

MISS BY

or bi

A WILLIAM TO CHARLES

Hundreds of South Korean students throwing petrol bombs and stones battled riot police in Seoul after a rally against the Olympic Games.

Burma at standstill Much of Burma was brought to a standstill as hundreds of thousands of demonstrators took to the streets of Rangoon and other cities in support of a general strike.

Envoy apologises

Vietnam's ambassador to Lon-don apologised for the incident in which a third secretary was seen brandishing a gun a at demonstrators outside the embassy last Sunday. The envoy handed over a toy gun and authorised cross exami tion of the man concerned.

Japan bribe charge Bribery charges were filed in the deepening scandal over unfair stock exchange profits which has gripped Japan. Page

PLO's UN call

A Leader of the PLO called for the UN to assume tempo-rary responsibility for the Israeli-occupied West Bank and Gaza strip. Page 6

Soviet trial

Yuri Churbanov, son-in-law of former Soviet leader Leonid Brezhnev, admitted at a Moscow corruption trial that he abused his position as an Interior Ministry official, but denied taking bribes.

Burma on strike Much of Burma was in the grip of a general strike called to

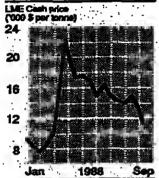
intensify pressure on the Gov-ernment to quit. Britons were advised by the Foreign Office to leave. Page 6

Olympics protest South Korean students clashed with police in the capital, Seoul, accusing their country's leaders of blocking North Kor-ean participation in the Olympic games. Page 6

US condemns ireq The US condemned Iraq for using chemical weapons against Kurdish guerrillas.

Ultramar in \$440m US

ULTRAMAR, the diversified UK oil company, is expanding its oil refining and marketing operation in California with the \$440m acquisition of the Wilmington Refinery in Los Angeles County, to be funded in part by a £130m (\$219m) rights issue. Page 25. NICKEL prices fell sharply on the London Metal Exchange



an overdue correction to the

TRANS WORLD Airlines, seventh largest US passenger car-rier, shareholders voted to accept a proposal by Wall Street takeover specialist Carl Icahn to take the company private. Page 27

TARMAC, UK construction and building materials com-pany, emerged as a counter-bidder for Ruberold, launching a £141.3m (\$241m) recoming materials group. Page 25 URANIUM: Lower sales and

higher operating costs com-bined to reduce first-half

there. Production of the bra

fuels group, saw pre-tax profits rise by 8 per cent in first half to £49.4m (\$84.1m). Turnover rose from £610.3m to £681.1m.

MORGAN GRENFELL, City of London merchant banking bles of the financial markets...

Page 25 BAA, privatised UK strpert management group, abandoned discussions with Ramada over joint venture which would

tional division. Page 27 joint mergers and acquisitions company in Tokyo with Was-

VARITY, the Canadian farm equipment and industrial

TALC: Strange combination of Kuwaiti finance and a

to liberalise short-term prime lending rates in one of the most far-reaching moves so far in the deregulation of the

Business Summary

takeover of

in what dealers described as

bined to reduce first-half income at Anglo American Gold Corporation (Amgold), the principal gold investment arm of Anglo American Corporation, South Africa's largest mining house. Page 28

PHILIP MODELIE, the eigeretic meanufacturer, has withdrawn production of its Maribora 108 cigarettes from Greece because of government pricing policies.

has been transferred to West Germany. Page 27 BURMAH OIL, Inbricants and

have led to takeover of current operations and development rights of Ramada's interna-

French government geological research office is bidding for control of world's leading producer of the mineral, Tales de Luzenac. Page 25

refinery

Nickel

high levels of the past few months. Page 42

mended cash offer for the roof-

of government pricing policies

group, saw earnings more than halved in first half due to trou-

NOMURA Securities, Japan's biggest stockbroker, is forming sersiein Perella, "boutique" Wall Street investment bank in which it bought \$100m stake in July. Page 29

engine maker formerly known as Massey Ferguson, reported fourth consecutive quarterly net profit. Page 27

JAPANESE banks are planning Japanese financial markets.
Page 28

"This is exactly the IMF: one prescription for all," he said, "increasa this and the other . . . if we do this we shall sink." His impromptu remarks at a mass rally in a Nile Delta town

cit and unity its various critical rates of exchange.

An agreement signed in May last year collapsed late in 1987 after Egypt failed to fulfil performance targets set by the IMF. The fund had disbursed about half of a SDR250m (\$324m) loan to Egypt before the reform programme ran into difficulties. Egyptian Government is exper-

51675

Key elements of Yas-air Arafat's Palestine

tion are edging . towards israel and a partition of Palestine. The Islamic movement however, has set its face against any attempt to under-

	Page 6
2.3	Agriculture
26	Arts-Reviews
27	Commodities
6.1 25	
	- Editorial Comment Euro-cotions

Politics Teday: Life in the TUC toyshop 23 Lex Ultramar, Parker; Ruberoid; Cookson; Morgan Grenieli ... International Bonds Intl. Capital Markets Lombard Unit Trusts

towards different destinations

Questions for Sir Geoffrey ...

Parker in

By Christopher Parkes, Consumer Industries

PENTLAND Industries, the UK industrial cooglomerate best known for its interest in Recbok sports shoes, is to take over Parker in a deal which values the writing instrument maker at £193m.

Financial details were not

Yesterday, however, Mr Law-son said that this would not only require every member state to make changes to its tax regime (including the aboli-tion of zero rating in the UK) but it would also mean additional regulation and bureau

cracy.

His paper also argues that considerable progress could be made in reducing border controls through the better use of although there was no synergy between the two companies' products, he and Mr Stephen Rubin, chairman of Pentland were "at one" on brands. Reebok's . marketing strengths in the US and the Far Rast would help Parker's new technology and auditing systems. The initial goal would be reduce controls between all member states to no more than the level currently in operation

within the Benefux countries. Britain was already moving in that direction by preparing two new schemes for faster clearance at frontiers and greater use of periodic submis-sion of VAT and statistical

remove fiscal controls at the Community's frontiers, govern-ments should agree to approxi-mate in two bands their rates for value added taxes and

ahonid harmonise excise

British officials emphasised that the aim of Mr Lawson's initiative was to break the impasse which they said had resulted from the Commission's plans. The huge shifts in excise duties those plans envis-Continued on Page 24

Overall, a "market-based" system would allow the objectives of a single market to be achieved with fewer obstacles to agreement among member states and would ensure greater flexibility of taxes in the face of changing circumstances the namer says. Beaction from Community countries, Page 3; Editorial comment, Page 22

.. A European statute would be

created which would include

provision for the participation in companies of workers or

ners. It's a long time since we heard Margaret Thatcher talk about them in this way."

Egyptian officials, concerned about possible social unrest

about possible social unrest brought on by price rises, are reloctant to agree to IMF demands for energy price increases of between 30-40 per cent. "We need economic reform," Mr Mubarak said yesterday, "but I tell the IMF that this reform must be in lina with our social and economic situation and the standard of

situation and the standard of

living."
Adding to pressures on

Egypt to conclude an IMF agreement is its need to return

to the Paris Club for a second round of rescheduling of its government and government-

Soviets in Egypt iron and

steel works plan, Page 6

guaranteed debt

Sweden Voters take Issue of tax reform to

indirect taxations Brussels and London drive

Hungary Environmentalists challenge plan for

Managements Moving Ideas out of Dupont's

Editorial comment: VAT sans frontières;

their representatives.

Editor, in London

revealed, but Pentland will buy between 85 and 90 per cent of Parker for about £170m. The balance of the equity will be set aside for Parker executives who led a \$100m management buy-out of the former US company in

Mr Jacques Margry, chief executive of Parker, said that

international development, he said. More than 60 per cent of Parker's operating profits come from Europe.

"You will not see Reebok pens or anything like that, but the strategy of building global brands is the same if you are selling shoes, pens or what-ever," Mr Margry added. The deal resolves Parker's recent difficulties, which started when a flotation, planned for last autumn, was

scrapped as world stock mar-kets collapsed. A second attempt in June this year was aborted at the last moment after a dispute between Par-ker's financial advisers and its venture capital investors. The advisers proposed a flo-tation valuation of £139m. The backers wanted £155m.

While Mr Margry had wanted Parker to remain independent, the option of recapitalisation would have proved too costly as interest rates increased, he said. Under new ownership the company would have access to funds for possi-ble acquisitions and for developments such as extending the Parker product range to

Mr David Lea, TUC assistant Despite its troubles, Parker general secretary, said it was significant that Mr Delors' has prospered with its present management. Under its former speech had been so well received, and added: "The fact US owners, now renamed as the Manpower temporary help group, Parker lost more than £26m in the three years before that he has taken some criticism from the British Govern-ment and is still determined to the buy-out. Last year it set a timetable to see these pro turned in pre-tax profits of £17.5m, and results for the first half of 1988 are underposals implemented makes them all the more significant." On the left, Mr Ron Todd of stood to show further gains. the TGWU transport workers said it was a "great speech." For the centre, Mr John Edmonds of the GMB general union, said: "Jacques Delors spoke about the unions as part-Lex. Page 24

Pentland Drexel assures Industries to take over clients it could £193m deal meet penalties

By Anatole Kaletsky in New York

DREXEL Burnham Lambert, the big Wall Street investment bank which was charged by the Securities and Exchange Commissioo on Wedoesday night with dozens of insider trading and securities law violations, yesterday wrote to its clients to reassure them that it had more than adequate resources to cover possible civil penalties which might be levied by the courts.

While the SEC did not specify the penalties it would request, Drexel suggested in its client letter that the civil damages sought might be "in the tively small sum in relation to the firm's total capital of \$2.2bn and considerably less than some legal analysts projected on Wednesday night, when the SEC's 184-page filing was made in the federal court in New York. The firm pointed out that, although it expected "full vindication", it had provided substantial financial

reserves for any contingencies.
Drexel, along with other defendants, including Mr Michael Milken, the celebrated head of its junk bond department, yesterday continued to protest their innocence and to insist that none of the SEC's charges would stand up. A company spokesman made it clear that the letter to clients was merely an elaboration of the statement issued by Mr Frederick Joseph. chief executive, on Wednesday. In that statement, Mr Joseph

said that the firm was not guilty of any wrongdoing. He added, however, that it was "unfortunate these matters could not be resolved out of court". Neither the SEC nor Drexel would say whether negotiations on an out-of-court settlement had actually taken

settlement had actually taken place.
The obstacles to any such settlement would have included not only tha possible cost and the effect on the firm's reputation, but the impact on individual defendants, including Mr Milken. The SEC has sometimes barred individuals from operating in individuals from operating in e securities industry even when it has settled cases against them ont of court. From the SEC's standpoint, an out-of-court settlement might also have been unattractive if it pre-empted the possibility of

criminal action.
While the US Attorney would not say yesterday whether there would be any criminal charges against Drexel or Mr Milken, there was widespread speculation that a Junk bond emperor, Page 22

criminal case might be brought sometime next month. Mr John Sture, the SEC's deputy chief enforcement officer, said there was no potential conflict between the SEC's present case and any possible future criminal action.

A criminal action could expose Drexel and other defen-dants to far higger penalties than the SEC's civil suit. These could include not only improisonment for individuals, but also triple damages suits. However, knowledgeable lawyers remained divided about the government's chances either of rioging future criminal charges or winning the SEC's case. Some pointed out that the SEC's evidence seemed to be based mainly on allegations made by Mr Ivan Boesky, the former risk arhitrageur now serving a prison sentence for securities violations. Mr Boesky, a convicted felon, might not be a credible wit-

A further problem for the SEC might lie in its inability to grant other potential witnesses immunity from future criminal prosecutions. Mr Sture noted that the SEC could immunise any testimony given in deposi-tions to the commission's own investigators. But it could not insure witnesses against action based on separate investigations by the Justice Depart-

The SEC's charges against Drexel had no noticeable impact on the US financial markets yesterday, partly because some form of legal action had been widely expec-ted and partly hecause of doubts about the commission's ability to make its charges stick. Although the SEC's charges covered a far larger number of transactions than some people had expected, all of the biggest ones had been known to be under investiga-tion by the SEC. These deals included bids and restructur-ings involving MGM/UA Entertainment, MCA Inc. Diamond Shamrock, Wickes Companies and Stone Container.

This applied even to the \$150bn junk bond market, in which the high yielding securitiers of non-investment grade companies are traded. The US junk bond market was largely Mr Milken's personal creation and has continued to be dominated by Drexel. Junk bond prices were flat to down 1/3 of a percentage point yesterday, a performance not out of line with other corporate bonds.

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Sharjah Branch
Ras-Al-Khomah Branch Kensington Branch Fuguruh Branch

USA USSR

"(Figures in million frantan Ruds as at 2003.87 - Provisional and subject to final adjustments)

Page 24

MARKETS Jun 1988 Sep.

HTEREST RATES yield: 7.55% (7.57)

feld: 9.04% (9.06)

Federal Funds 81.%

STERLING New York Israchs \$1,8945 (1.7075) \$1.6965 (1.706) DM 3.1375 (3.1475) SF-2.6525 (2.665)** Y227 (228.26) DOLLAR ... New York AR

FFr6.3155 (6.275) SFr1.5675 (1.55 Y134.075 (133.35) London: DM1.849 (1.843) FFr6.295 (6.28) Borid: 10034 SFr1.563 (1.5545)

GOLD.

New York

Comex Dec \$435.7 (435.5)

STOCK INDICES New York lunchtime Dow Jones Ind. Av. S&P Comp 266.07 (+0.2) FT-8E 100

1,739.8 (-16.3) 123.77 (Wed) Tokyo 27 748 11 (+ 236 1) 1,492.2 (+4.5)

Brent 15-day (Argus)

\$13.3 (+0.096) (Sept)

\$14.375 (+0.15) (Oct)

West Tex Crude

CONTENTS Fundamentalists split Palestinian unity on West Bank

Liberation Organisa-

Stock Marioria -Wall Street

EUROPEAN NEWS

Interest rate rises have paid off, says Pöhl

By Haig Simonian in Celle

Bundesbank is "very satisfied" with the results of last month's co-ordinated interest rate rises, Mr Karl Otto Pöhl, the central bank's president, said yesterday at a news conference in this historic north German

Inflationary expectations bad lessened, thanks to the Bundesbank's recent actions to increase interest rates, and this was reflected in the fall in long-term rates, said Mr Pöhl. Combined with recent optimistic figures on domestic eco-nomic growth and the money supply, the signs are that the West German authorities will now be under less pressure from their foreign partners than originally expected at this month's series of international monetary meetings, culminating in the International Monetary Fund-World Bank conference in West Berlin.

Mr Põhl strongly denied the existence of tensions in the European Monetary System following the recent gyrations

Referring to recent reports of differences with the French Government, he said he saw no eason for either the French or month

WEST GERMAN West German side to alter exchange rates in the EMS at present.

Mr Pöhl said West German gross national product growth was "extraordinarily positive" now and "much better than most of us would have expected six months ago."

He admitted that prospects for 1989 remained uncertain, but he played down suggestions that next year's planned increases in a range of consumer taxes would seriously affect West German growth prospects.

prospects.

"The tax rises won't dampen private demand very much," he said. There might be some increase in private savings, "but the rise in investment demand will continue." demand will continue." Mr Pöhl said the Bundesbank expected inflation to rise to 2 or 3 per cent next year. "But all in all, six years of growth without inflation is a very positive picture," he added.

He confirmed that the Bundesbank would continue to use United States-style auctions for West German government securities following a successful experiment earlier this

OECD alerts Turkey to need for action on inflation

By lan Davidson in Paris

A REDUCTION in the rate of inflation must be the over-rid-ing priority for Turkish eco-nomic policy, with greater emphasis on tax increases, according to the latest assessment from the Organisation for Economic Co-operation and

It describes as impressive the package of economic mea-sures introduced early this year, in response to excessive economic growth at a rate of 71/4-8 per cent and a build-up in the inflation rate to some 70

tered prices, new taxes, and increases in existing taxes, a halt to government investment programmes, and a tightening of monetary and credit policy, was designed to slow the rate of economic growth to 5 per cent, and the rate of inflation to 45 per cent by the end of

The OECD believes that the measures are likely to damp real activity, if continued for any length of time, and that a slowdown in the growth rate to

This package, which the declared target of 5 per included increases in adminiscent is achievable. The inflationary pressure is likely to be sustained for a while, however, partly because of the price-impact of higher indirect taxes, and the average inflation rate for this year is likely to be 58 per cent, considerably higher than the government target of 45 per cent.

Moreover, the report criticises the policy mix in the package of anti-inflationary measures. It questions the desirability of cutting back investment by central govern-

ment agencies and public utili-ties, it doubts whether the pol-icy of containing public expenditure can effectively be imposed on large municipal-ties, and it stresses the draw-backs of monetary tightening, where high credit costs may be reflected in the inflation rate. reflected in the inflation rate.

Instead, it argues that more efforts to increase government revenues are needed in order to narrow the public sector borrowing requirement, which rose last year from 4.5 per cent to 8.3 per cent of gross national product.

inflation and an improvement in the international competiin the international competitiveness of the Turkish economy are also necessary, in the view of the OECD, if the country is to achieve a sustainable position in its foreign halance.

The current external deficit, at 1% per cent of gross national product is modest for a country at Turkey's stage of development, says the report.

development, says the report, but it points out that the size of the country's foreign debt (57 per cent of GNP), and a debt-service ratio of 33 per cent

of exports of goods and ser-vices make it destrable to sta-tilise the current account den-

cit or better still reduce it.
Bitherto, Turkey less sough,
to maintain its international
competitiveness by frequent
and regular devaluations of the currency, but this strategy has two big disadvantages, accord-ing to the OECD; it sides to the pressures on costs and prices, thus frustrating the control of inflation, and it automatically aggravates the burden of the foreign debt and the cost of the debt-service ratio.

Accusations in Calabria over Mafia fight

By John Wyles in Rome

THE ARREST on Wednesday of virtually the entire Roman wing of the most active section of the Red Brigades was a spec-tacular coup which may help offset public concern about dis-array in Italy's administration of law and order.

Among the 21 active terrorists and their supporters cap-tured in dawn raids on four hideouts in and around Rome, were suspected killers with at least five murders to their credit, including those of two politicians, since March 1985. The very successful record of police and magistrates in suppressing terrorism during the 1980s contrasts with the much patchier record against the

Mafia. After recent upheavals among the magistrates in Pal-ermo, where the chief Mafia-fighter, Mr Giovanni Falcone, has submitted his resignation, a not dissimilar row has broken out in Calabria.

President Francesco Cossiga has asked both the Justice and Interior Ministers to investigate allegations by a deputy prosecutor at Locri, Mr Concezio Arcadi. The latter has com-plained of the "uselessness" of trying to fight the Calabrian Mafia, the n'drangheta, because of the state's decreas-ing powers of initiative. His allegations were directed against the chief prosecutor of Locri, whom he accuses of frustrating investigations.
The Calabrian magistrates

to launch two sets of disciplinary proceedings against five magistrates in Naples.

One magistrate has made public, but unsubstantiated, allegations that senior Christian Democrat politicians, including Mr Antonio Gava, the Interior Minister, used the Red Brigades as a conduit for have been unable to prevent annual death tolls of more than a 100 as a result of inter-Mafia struggles, or to stamp out Calabria's kidnapping industry. The n'drangheta is believed to have widely penetrated the forestry service in the Aspromonte, whose wooded hills and mountains Red Brigades as a conduit for negotiating the release of a local councillor kidnapped by provide perfect hiding places.
Dissension within the magistracy is increasingly farmed by profound politicisation, and this week Mr Giuliano Vassalli, the Justice Minister, has come the Neapolitan Maria. The four other magistrates are being disciplined over the

investigation of right-wing ter-rorism which led to the impris-onment of the late Enzo Torunder heavy fire from sections of the judiciary for an allegedly politically motivated decision tora, a well-known television star, who was later absolved of involvement in terrorism.

Swedish voters take issue of tax reform to heart

OT surprisingly for such highly taxed indi-viduals as the Swedes, staggering under the burden of the world's highest direct taxes, the question during the election campaign of which party will do tha most to relieve this load has received considerable attention.

Indeed, when representatives of all the parties gathered for a pre-ejection television debate on the economy this week, more than a quarter of tha Swedish population stayed gived to the screen for a dis-cussion dominated by the tax

issue.

The star of the evening was undoubtedly Mr Kjell-Olof Feldt, the Finance Minister: according to an opinion policonducted after the debate, 78 per cent of viewers thought Mr Feldt outshone his competitors.

fors.

Mr Feldt's popularity stems from his successful management of the Swedish economy and he does not find it hard to boast about its strength today. boast about its strength today.
Since returning to power in
1982, tha Social Democrats
have brought unemployment
down from over 3 per cent to
1.7 per cent, almost eliminated
the crippling budget deficit of
over SKr85bn (£7.8bn) - 13 per
cent of gross domestic product
- that they inherited from the
non-socialist Government, and

non-socialist Government, and witnessed a 60 per cent increase in industrial investment and a 20 per cent rise in industrial production.

Now Mr Feldt promises to tackle tax reform, bring inflation firmly under control (at around 7 per cent if is well above the level of Sweden's train competitors), and engure main competitors), and ensure and save our way out of cri-A recent OECD report showed Sweden at the top of the league with total tax as a percentage of gross national product at 55.8 per cent last year. "We are definitely in the top class when it comes to taxation." says Mr-Johan Salsback, tax expert at the Confederation of Swedish Industries.

Industries.
And in the words of Mr Gunnar Myrdal, the late Swedish Nobel Prize winning economist, this tax system serves only to encourage cheating and fiddling. It has long been recog-nised as overdue for reform.

The system has also encouraged a consumer boom, as taxpayers can reduce their burden by deducting interest pay-ments on loans, for example for homes, boats, cars and other consumer durables. Swe-den has a negative savings ratio and for a long time economists have urged the Govern-ment to abolish this form of tax reduction so that consumers are stimulated to save

However, having considered the idea earlier this year, Mr Faldt has suddenly got cold feet. There are too many voters who have borrowed heavily to buy homes and Mr Feldt does not dare promise to abolish the deductions completely. Instead, the Social Demo-

crats are pushing for a 3-4 per cent reduction in marginal taxes (which would have the effect of reducing the scale of the interest deductions) while raising value edded tax on cer-tain goods to make up for the lost revenue.

he opposition non-so-

he opposition non-so-cialist parties are call-ing for much larger cuts in income taxes which would chiefly benefit the top taxpay-ers, but their lack of unity over how such cuts would be funded raises serious doubts about law they would implement how they would implement changes without falling out if they formed a coalition government. For example, the Liberals want to lower the basic tax threshold while the Centre Party advocates higher energy

While they have been at pains to stress that they could somehow resolve their differences once in power, they have not refrained from open wran-gling at the pre-election stage over whose proposals are best. in many people's minds, the non-socialist parties are best remembered for their inability to work effectively together while in power between 1976 and 1982, and for presiding over a sick economy, though largely as a result of external

factors.

They were unable to escape

ustion, during which the bud-get deficit burgaonad, industrial production stag-nated and economic growth

nated and economic growth averaged 1-per cent per annum compared with an OECD aver-age of 25 per cent.

By contrast, Mr Feidt enjoys widespread popularity and enormous confidence among Sweden's industrial leaders, consistently topping polls on consistently topping polls on who should run the country's

He has presided over the country's economic recovery, first devaluing the krona by 18



Sara Webb reports that, despite their high tax rates, most Swedes are happy with the country's economy

A 14 15 15

per cent in 1982 to help Swedish industry regain its competitive strength and win back market shares, and then imple-menting the policy of what he called "the third way." By this he meant relying on a combi-nation of public spending cuts and higher taxes or, as he put it, "a strategy to both work

e has been helped by a large dose of good luck dne to favourable external factors such as the drop in oil prices, international recovery and the falling dollar (which because of its weight-ing in Sweden's currency bas-ket meant a hidden depreciation in the krona). These factors have helped an econ-omy heavily dependent on imported oil and international

Furthermore, Mr Feldt has continued a process of liberalisation and deregulation in the country's financial markets. His perceived weaknesses are contrary to what many feel is his better judgment, he is forced to how to pressure from the trade union movement, allowing such measures as the wage-earner funds (which allow the unions to buy shares in companies using money from corporate profits), and higher turnover taxes on shares (which has served to chase business in the blue chips to London and New York) and other financial

Nor has he been as successful as hoped in keeping inflation and wage increases down in the same league as Sweden's major competitors. "As long as people expect inflation to he at around 7 per cent, it will be difficult to keep wage increase demands below that level," says Dr Ulf Jakobsson, chief economist at Svenska Handelsbanken, who is highly critical of the political parties for failing to come up with measures. ing to come up with measures for tackling inflation.

"What is required is a combi-nation of tighter financial pol-icy and measures to stimulate the economy. lower marginal taxes, lower subsidies and the end to monopolies in parts of the public sector."

FINANCIAL TIMES

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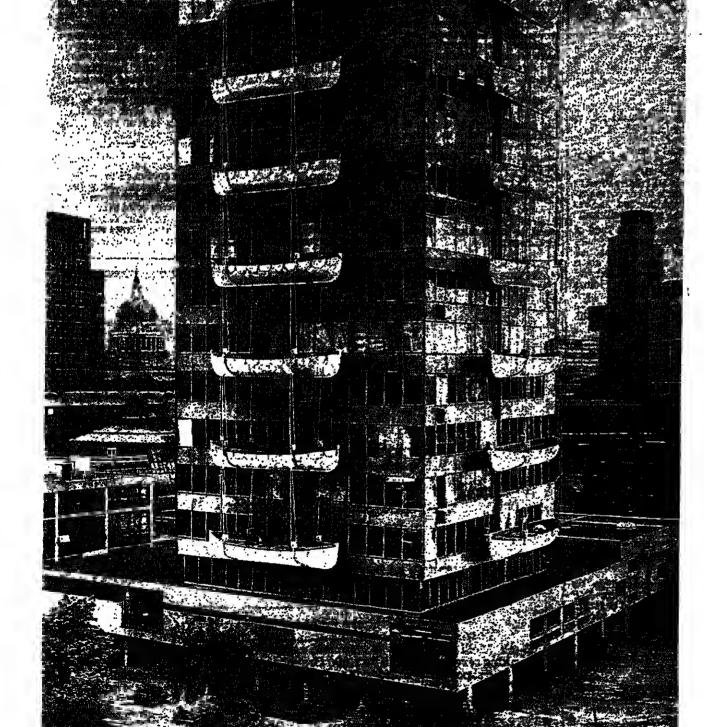
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THE PRICE OF ALL INVESTMENTS CAN FALL AS WELL AS RISE

EUROPEAN NEWS

FT Correspondents around Europe examine how Community countries see the problem of aligning indirect taxation

Brussels and London drive towards different destinations

THE London-Brussels clash over the total cost of all indirect taxation has a certain inext border controls—estimated by the orability about it. Each has a different idea commission at Ecu8bn-8hm (£5.8bn-orable commission at Ecu8bn-8hm (£5.8bn-orable controls—estimated by the continuent of the commission at Ecu8bn-8hm (£5.8bn-orable controls—estimated by the continuent of the commission at Ecu8bn-8hm (£5.8bn-orable controls—estimated by the commission at Ecu8bn-8hm (£5.8bn-orable controls—estimated by the continuent of the commission at Ecu8bn-8hm (£5.8bn-orable controls—ent of the commission at Ecu8bn-8hm (£5.8bn-orable controls—ent of the continuent of the controls—of fiscal checks. It argues cost savings of 50-80 per cent could be made by European Act, of the internal massive cost abolishing intra-EC trade—can be blamed on fiscal checks. It argues cost savings of 50-80 per cent could be made by European Act, of the internal massive cost abolishing intra-EC frontiers—frontier-sold be made by European Act, of the internal massive cost abolishing intra-EC trade—can be blamed on fiscal checks. It argues cost savings of 50-80 per cent could be made by European Act, of the internal massive cost abolishing intra-EC frontiers—frontier-part of the definition, in the 1985 Single—of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal massive cost savings of 50-80 per cent could be made by European Act, of the internal m

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pragmatic rather than dog-matic terms.

According to a close adviser of Mr Pierre Beregovoy, the Finance Minister, harmonisstion may be much more impor-tent for some products—espe-cially those which are substantially traded across Community frontiers—than

others.
Officials say Paris is likely to take certain unilateral decisions which will increase con-vergence between France and its Community partners. Last year the previous con-servative government cut the French VAT rate on cars from 33% per cent to 28 per cent and the new government intends to further simplify France's mul-ti-tiered VAT scale by eliminat-

ing the reduced 7 per cent rate, and transferring these prod-acts to the super-reduced rate

dened with surplus capacity.

tier-free Europe would leed to hig distortions, with Danes and Irish-men pouring into the shops of, respectively, neighbouring West Germany and Britain.

The Commission has proposed a clearing house system, to ensure that, in a frontier-free Europe, VAT receipts continue to end up in the exchequers of countries in which goods are sold. Frontier checks are vital to present VAT administration—for an importing country to check it gets its tax and for an exporting country to check that exports (all of which two receipts) do not transfer which are zero-rated) do not fraudu-lently re-enter its home market. The UK, and to a lesser extent

clearing system would ensure the right amount would be paid to the right amount would be paid to the right country on time. Instead, it proposes maintaining existing VAT checks, but simplifying them by "postponed accounting". This system, which means a truck driver collects a VAT stamp as he passes through a frontier but leaves it to his head office to do the personnel. his bead office to do the paperwork later, is used by some EC members. Again, the Commission wants zero, not simplified, frontier controls.

The Commission has proposed single EC excise rates on alcohol, of goods inclusive of excise duty.

Any flexibility in the latter therefore would push the proposed VAT rate bands further apart. Excise rates differ enormously between the

wine and tobacco-producing south and the health-conscious north. The UK says alcohol and tobacco should be considered special cases for health reasons, and market forces here should not go unfet-tered. Commission officials point out the convenience for the UK of having market forces lead to an inevitable convergence down to low UK VAT rates, but excluding the same pressures from operating on high UK excise duties.

for VAT harmonisation, but not for the same reason as Mr

Danish officials argue that the removal of technical obstacles to internal trade is the crucial issue in creating the internal market and deny that tax barmonisation is neces-

tions are also among the EC's severest. There is a 48-bour Spain backs the principle of harmonisation but Mr Car-los Solchaga, the Economy rule for import of the tax-free spirits and a maximum value of DKr275 for other goods that Minister, has repeatedly told colleagues at Luxembourg ministerial meetings that the new rates should be introduced gradually and flexibly.

His main concern is that there would be at least a two point VAT increase on tobacco,

cantly cheaper in Germany, cross-border shopping would soar if the Danish rates were wine, beer and petrol
The harmonisation proposals
would have a considerable impact on the Spanish con-sumer and be unpopular among voters. Officials also argue that Spanish consump-tion patterns and cultural fac-

> for flexibility.
> It is estimated that the Commission's proposals will mean an extra Pta 700bn, around 2 per cent of GDP, for the Span-ish treasury.

Hopes raised for change in Soviet church policy

HOPES FOR an important revision in Soviet policy towards the Catholic Ukrainian (Uniate) church, banned in 1946 and persecuted ever since, have been raised by a visit to Poland by its exiled leader. Cardinal Miroslaw

Lubacziwski, writes Christo-pher Bobinski in Warsaw. The cardinal, a forthright critic of the Soviet Union, is accompanied by nine other Uniate bishops from Western Europe and North America.

They have been permitted to

come for celebrations marking the 1,000th anniversary of Christianity in Russia held by the Polisb church in Czesto-chowa this weekend.

The Vatican has never recog nised the dissolution of the Uniate church, and this has been one of the barriers to a Papal visit to the Soviet Union.

Turkish newspaper resists trial plea

The Turkish newspaper Miliiyet, whose editor and bestknown columnist went on trial this week, has rejected a state prosecutor's demand for access to unpublished parts of an interview with a Kurdish guerrilla leader, Thomas Goltz writes from Ankara.

Prison terms of 7-15 years are being demanded for Mr Eren Guvener, the editor, and Mr Mehmet Ali Birand on charges of undermining national feeling in connection with an interview conducted by Mr Birand with Mr Abdullah Ocalan, leader of the separatist Kurdish Workers' Party.

Grósz begins visit to East Germany

The leader of Eastern Europe's most reform-minded nation, Mr Károly Grósz of Hungary, has begun an official visit to East Germany, whose party chief, Mr Erich Honecker, opposes economic and political reforms, writes Leslie Colitt. The two

countries enjoy good relations despite their differences.

Hnngary this week announced a general amnesty for most of those convicted of participating in the 1956 uprising. The only people not to benefit from the amnesty will be those who committed "very serious crimes" such as treason and espionage.

FRANCE'S new Socialist Government has yet to take a formal position on Lord Cock-field's VAT proposals; but the current inclination in the Finance Ministry is that the issue needs to be treated in concluded that a 2 per cent of the EC until it publishes its per cent, 9 per cent, 19 per cent a common tax system and simmore than more than more than more than more than the content of the need for per cent, 19 per cent.

by the Bolteux Committee, concluded that a 2 per cent band-width for VAT rates, or the equivalent of the currency fluctuations permitted in the EMS, was the maximum which would avoid trade distortions. The committee calculated that the budgetary cost of moving towards a two-rate struc-ture (18.6 and 7 per cent) would be a loss of FFridm (£1.3bn), plus another FFri6bn if domes-tic heating and lighting energy

were at the lower rate. • For the Italian Government, an increase in budget revenues through a simplification of and reduction in the number of Italian rates is an important part of the official strategy for reducing budget deficits and controlling the

growth of public debt.
As on other lesues, ministers are trying to minimise controversy by presenting the exercise as an obligation which will soon be imposed from Brussels. However, it will not be clear of 5.5 per cent.

A French report on the issue, published before the elections soon be imposed from Brussels.

However, it will not be clear ising duties on oils how far the Government is and other products.

the right to yet in advance any

THE EUROPEAN Commission lary of the Italian-based Riva

yesterday gave the go ahead to Group. Their new company, four takeovers or joint ventures between steel companies French producer of so-called in France, Britain and Luxen straight rebers, used in the

bourg to help rationalise out-put in an industry still bur-EC steel rules give Brussels

Two of the link-ups are in France, where Alpa; the main producer of straight reinforcing bars in state-owned Usinor-Sacilor, is merging with Ron-Seine, har-making subsid-

proposals.
The Government has been stressing that not only is the overall tax burden in Italy, at 39 per cent of GDP, below the Community's average of 43 per cent, but also that the level of indirect taxation is well below the EC's 13 per cent average. VAT collections represent only

5 per cent of GDP.

A recent study by Italy's ning took a cool view of the Commission's proposals, doubt-ing Brussels' conclusion that the overall impact on revenues

It calculated that a maximum rate of 19 per cent and a minimum of 5 per cent and a minimum of 5 per cent would raise an extra L10,000bn (£4.3bn) and add 1.6 per cent to the cost of living. This would, however, broadly balance the lost revenues implied the Commission's proposal for harmonising duties on oils, alcohol

nor, another Sacilor subsid-

iary, by Compagnie Française des Ferrailles, to form one of the largest steel scrap proces-

sors and distributors in France. They received clear-ance on the grounds that they will be unable to restrict price

competition because EC scrap prices are dictated by world,

rather than European, mar-kets, said the Commission.

integrated steel producer, was

Arbed of Luxembourg, an

Brussels gives go-ahead for steel link-ups

per cent, 9 per cent, 19 per cent and 38 per cent and to be in line with the Commission's recommended approach, they could be grouped in the 49 per

cent and 14-20 per cent range.

• In West Germany, Mr
Nigel Lawson's alternative plan for sales taxes in a barri-er-free Europe ware not warmly received. This came as no surprise since the Germans have already let it be known that they are reasonably happy with the European Commission's own proposals.

A spokesman from the Finance Ministry said yesterday: "Of course we do not accept all the details of the EC plan but we are relatively relaxed about it."
One reason for this positive response is that the West Ger-

mans occupy the middle of the VAT range so they assume that other countries would be harmonising up or down towards their level. They are thus preparing for a mediating

given permission to co-ordinate some of its production of long products, including heavy

beams, rails and steel sheet piling, with Unimetal of France.

role, convinced of the need for a common tax system and aim more than a third of its revea common tax system and aiming for the narrowest range

possible.
Currently the standard rate of VAT is 14 per cent with a lower level of 7 per cent for books and some other printed material.
The West Germans also seem

unmoved by Mr Lawson's proposals on excise tax. Excise taxes are generally low in West Germany and the health issue has prompted much response

 Denmark has been one of tha strongest opponents of VAT harmonisation and would face acute problems under the Cockfield proposals. Not only does it have a very high VAT rate - a flat-rate 22 per cent -and high purchase taxes, but its nearest EC neighbour, West Germany, has some of the lowest rates.

The Tax Ministry has esti mated that if the proposed EC rates were applied, the state would suffer a revenue loss of

hoping that a cantious attitude to EC tax harmonisation on the part of the UK would strengthen their own bargain-ing position, will be disap-pointed by Mr Lawson's comtors provide strong arguments

mitment to the scrapping of controls on cross-frontler shop-They will, however, support his view that there is no need

nue from indirect taxes.

Denmark's border restric-

can be freely imported by day-trippers. Since many products,

including cars, beating oil, electrical goods, tobacco and

wine and spirits, are signifi-

not adjusted and current shop-ping restrictions abolished. The Danes, who had been

French stance on human rights

By lan Davidson in Paris

FRANCE yesterday distanced itself from West Germany, in publicly attaching a higher pri-ority to the human rights chap-ter of the current East-West

security talks in Vienna. In an interview in Le Monde newspaper, Mr Roland Dumas, Meanwhile, the UK steelmaker United Engineering Steels the Foreign Minister, said France would insist on prog-ress on the three "baskets" of a joint venture between a joint venture between GKN and British Steel – has been given the go-ahead to buy a controlling interest in Wood-stone Rolling Mills, which makes specialty steel bars. the Vienna review conference: human rights, and economic development, as well as disar-

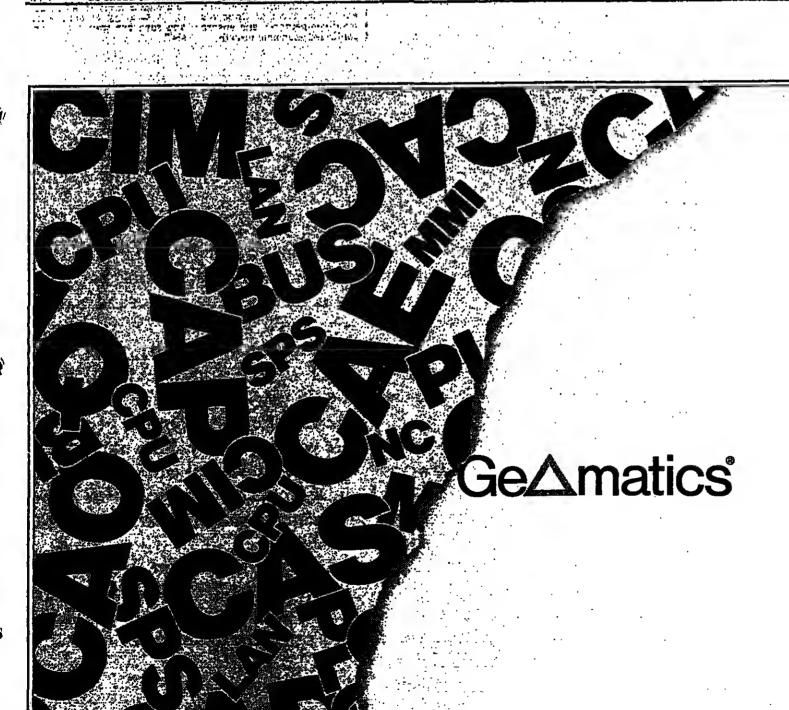
Mr Dumas said he did not share the West German view that the West would prolong the Soviet Union's superiority in conventional weapons, if it made disarmament contingent

on progress in human rights. "The Soviets are interested in the reduction of conven-tional armaments; and so are we, obviously," he said. "But we are also interested in the problem of human rights; and

it is not inconceivable that we could interest the Soviets in it as well."

Mr Dumas' insistence on human rights is not, it appears, a pretext to delay the disarmament process.

The new Socialist Government has come to power more firmly committed than its predecessor to the need for a positive French contribution to



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AMERICAN NEWS

Chilean anti-riot police use a water cannon against members of the Sebastian Acevedo movemen. Against Torture protesting on the steps of Santiago's central library. Four people were injured.

Peru's shock economic plan attacked By Veronica Baruffati in Lima

THE SHOCK plan announced by the Peruvian Government on Tuesday night, aimed at reducing the fiscal deficit and inflation and increasing inter-national reserves, has been received critically by all sec-

Conservative groups admit drastic measures were neces-sary but say that they are incomplete and incoherent, and that if they are to be applied piecemeal, inflation will continue to increase.

Mr Roberto Persivale, president of the Exporters' Association (Adex), said it was ironic that an anti-inflation plan which openly promoted exports would in fact jeopardise exporters after the initial 10-day period during which production costs have to be fixed for the 120-day freeze period. the 120-day freeze period.
"The new exchange rate will

only favour us for 10 days and after that we will be worse off than last month," Mr Persivale

Mr Rafael Villegas, president of the Confederation of Private Financial Institutions (Confier), said inflation in September would reach 125 per cent.

Mr Valentin Pacho, general secretary of the General Con-federation of Peruvian Workers (CGTP), the largest union in Peru, described the measures as "a cruel act of terrorism" against the working class. The 149 per cent increase in the minimum salary was "a joke".

The three big unions in Peru are meeting to discuss how to co-ordinate their protest against the measures.

Meanwhile, in various sec-tors of Lima, basic commodi-ties are still scarce after days of hoarding by speculators.

UK makes World Bank share payment

BRITAIN has become the first country fully to subscribe to the \$74.8bn general capital increase of the World Bank approved by the bank's board

The UK made its payment on August 31. The country is enti-tled to 30,450 shares at \$120,635 apiece, but only 3 per cent - or \$110m - is required as an initial down payment. The remaining 97 per cent is only callable if needed by the bank to meet obligations for borrowings or guarantees.

Norway was the first country to make a subscription of any kind.

Move on PCBs Canadian industries and utili-

ties will have until 1993 to phase out the active use of the organic chemicals, PCBs, if a plan proposed this week by federal and provincial environ-ment ministers is adopted, writes David Owen in Toronto.

Details of the programme are

to be thrashed out next month at a meeting of environment ministers in Winnipeg. The decision follows a recent

PCB warehouse fire, which prompted mass evacuations, in St-Basile-le-Grand, Quebec.

US investment up

Industrial investment plans in the US have been maintained at the record levels reported recently despite the mild slowdown in US domestic deman pressures shown in recent retail and employment figures,

writes Anthony Harris.
The Department of Commerce said yesterday that its July-August survey of business plans showed that investment in 1988 would be 11.6 per cent higher in real terms than in 1987. This follows a 2.3 per cent real increase in 1987, and is the biggest rise since 1984.

Bush and Dukakis bid high for the Jewish vote

By Stewart Fleming in Washington

"From our family to yours: Happy New Year 5479," was the greeting on a picture of Vice-President George Bush, his wife Barbara and 20 children and grandchildren handed out to delegates at the B'nal B'rith International Convention in Baltimore, where Mr Bush spoke on Wednesday. "I'shanah tova Tikatevu"
(Good New Year: May your
name be inscribed in the Book
of Life), Governor Michael
Dukakis, his Democratic rival for the presidency, told the

hours later, indulging his lin-guistic facility. Rarely has the battle for the Jewish vote been so vividly on display in the decades that presidential candidates have

convention.
At the end, it has to be said, it was Mr Dukakis, the candidate with an activist Jewish wife who himself grew up in the heavily Jewish community of Brookline in Boston, who conveyed the deeper commit-

been addressing this Jewish

same Jewish audience two ment to the Israeli cause. But the casualty in the end may well turn out to be hopes of rapid progress towards Mid-dle East peace once one of the two rivals takes over in the White House. For by the time the two men had finished outbidding each other in their commitment to Israel, it was difficult indeed to see any openings either had left for

compromise with Israel's Arab neighbours.

Most of what both men said Liberation Organisation unless it accepts UN Resolution 242, renounces terrorism, and con-cedes israel's right to exist— is standard US policy. They also both rejected the creation of an independent Palestinian

On the other hand, Mr Dukekis's comments represented a toughening of his position since earlier in the year and he repeated his view that he acknowledges Israeli sover-

In 1984 President Ronald Reagan captured an estimated 32 per cent of the Jewish vote. The influential role in the Democratic Party being played by the Reverend Jesse Jackson, a man many Jews deeply distrust because of his pro-Palestriats because of its provident stance and what some suspect is latent anti-Semi-tism, has raised some Republican hopes that Mr Bush will do as well or better in November. On Wednesday's showing that does not seem very

Peru drug squads face 5,000-year tradition

Miners chew the coca leaf to get through a days work, reports Sarita Kendall

TTACKING the cocaine problem from the roots - destroying the coca - has often been put forward as the obvious way of cutting off supplies. But as coca growing is legal in many parts of the Andes, and as the coca leaf chewing tradition goes back 5,000 years. Eradica-tion is not a simple matter. Peasant farmers defend the

right to grow coca by blocking roads, occupying Government offices and organising regional strikes. For tens of thousands in the Andean foothills and Amazon lowlands of Bolivia, Colombia and Peru it is the main source of income.

Substitution programmes have had to tackle the problem by finding attractive alternative crops combined with largely unenforceable sanctions against expanding coca production. Bolivia's new antidrug law, which reduces legal growing to about a sixth of the area devoted to coca, marks an extraordinary turning point in policy. It also raises a lot of practical difficulties.

The Spanish church fought in vain against coca cultivation in the mid-16th century and then went into the growing husiness to profit from the spreading coca hahit. For nearly four centuries the fortunes of coca growers were linked to the ups and downs of Andean mining — even today the miner is by far the biggest consumer, chewing about 11b (0.45kg) of leaves a day.

The tropical Yungas valleys have long supplies highland mining centres with coca. Astonishingly steep terraces, just wide enough for a row of the view that coca is too strong bushes, climb the hillsides. The an element of many Amazon

newly planted brown patches and highland Indian cultures are easily distinguished from mature green plantations. Sitting on a green and brown striped ridge, Coripata is at the heart of the traditional grow-ing area. On Friday nights an enormous old press is used to squeeze the week's production into 45lb bales made of banana fronds and sacking.

a realistic allocation for tradi-tional use. The law classifies other coca growing areas into "transitional" and "illegal." The Chapare, a region of migrant peasant farmers who responded to the cocsine boom of the 1970s, is transitional. By the time they arrive in Coca growing is to be reduced

an impressive political commit-ment to lighting drugs, as well as a powerful tool. Between them, Bolivia and Peru proba-bly supply about 80 per cent of to be suppressed.
The 12,000 hectares repres the raw materials for cocaine. Estimates for production vary widely — not only is it difficult to measure the area devoted to coca, but the cocaine content of leaves runs from 0.23 per

The Spanish church fought in vain against coca cultivation in the mid-16th century and then went into the growing business to profit from the spreading coca habit

Potosi market, the leaves have tripled in price. But most min-ers will not work without them. "It's the only way to keep going from morning to evening - it takes away the tiredness and the hunger, and gives the will to work," said a mber of the VIIIa Imperial

co-operative.
Ritual use is just as important coca leaves were scattered over two sacrificial lia-mas tied to rails outside the entrance of the co-operative's mine, in an annual offering to Mother Earth. Under the UN Single Convention on Narcotic Drugs, countries were sup-posed to phase out coca-chewing in 25 years - that is, by 1989. Although urban migration and education have reduced the habit among young people, some 3m South Americans still thew coca and

many more use coca remedies. In setting aside 12,000 hectares of plantation (10,000 in the Yungas) for legal production, the Bolivian law acknowledges the view that coca is too strong voluntarily over five years, with compensation payments and substitution programmes. Many sspects of the law, which also includes stiff penal-

ties for traffickers; still have to be clarified by the Govern-ment. But anti-drug experts were surprised that it got through-Congress as quickly and easily as it did. Huge protest marches of coca growers accusing the Government of bowing to US pressure filled La Paz and Cochabamba while legislation was being dis-cussed; now the producers have been divided, and those in transitional or illegal areas are claiming the law is unconstitutional. Neither of the two political

parties responsible for seeing the legislation through stands a strong chance in next year's presidential election. The Government will have to get started quickly if anything is to be accomplished - centre and left-wing parties make electoral capital out of promising to revise the law.

cent to 0.95 per cent, Annual yields also range according to yields also range according to climate, altitude and plant variety, from 320kg per hectare in the Yungas to more than 1,200kg in the Chapare. Even conservative estimates pur South America's commercial coca plantations at 200,000 hectares and cocaine production at over 200 tonnes.

Given the level of cocaine. seizures and the way overpro-duction has sent prices tun-bling, the 200 tonne figure seems for too modest. The price paid for leaves also

fell so low in the Andesin countries that other crops - particularly coffee - could compete with coca. This was a barns for substitution programmes, though the combined effects of the dry season and the anti-drug law have now sent Boli-vian prices well up again. Jailing peasant growers and oding in the troops to burn coca bushes is one way of curb-ing production. But it takes a squad of 60 men a day to clean up I hecture. The one effective :

defoliant Tebuthurion (sold under the trade name Spike) has not been put into use because the manufacturer suddemly refused to sell it to the US Government, alleging both risk of reprisals and possible

ecological disaster.
Voluntary eradication with substitution, though slow, prosubstitution, though slow, provides a long term solution for the farmer by raising living standards. Mr. Natalio Quispe, who had pulled up half a hectare of his coca plants, was hullding a pigsty. The UN Agroyungus project had credited him with three sows, and he would pay bidle the loan when the first litters were horn.

More than 50 communities in

More than 80 communities in the Yungas have benefited from roads, schools, medical posts and water supplies, on the understanding that they plant no more over if new patches appear, work on infrastructure stops.

The new law specifies that 5,000 hectares of common in the Chapare must be replaced by mid-1980. The cash for crop substitution is apparently, available but foreign experts working in the Chapare are continually threatened, and peasants depend directly on the cocaline market, to the extent of processing their own extent of processing their own leaf production into paste. On past experience, those who take the \$2,000 per hectare compensation money rarely invest wisely; and it is hard to find readily marketable crops with the qualities of coca which can not only be har-vested all the year round, but needs little care, goes on prod-ucing for more than -twelve years and loops well.

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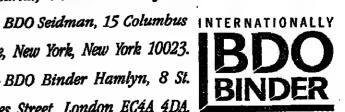
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We don't stop at the bottom line.

Vietnamese

envoy hands

'gun' to UK

Diplomatic Correspondent

THE Vlatnamese

Ambassador to Britain, Mr

Tram Van Hung, who had

been asked by Britain to waive the diplomatic immunity of a junior diplomat seen brandishing a pistol in front of his embassy in

London last Sunday, yester-day handed over a toy gun to the Foreign Office.

The Ambassador told Mr Timothy Eggar, British

Under-Secretary of State, that he regretted the inci-

dent and agreed to the For-eign Office's request that

the diplomat in question

could be cross examined by the British police and anthorities.

At an earlier meeting between Mr Eggar and the Vietnamese Ambassador.

the minister had produced two photographs of a Third

authorities

By Robert Mauthner,

OVERSEAS NEWS

Fundamentalists split Palestinian unity

Andrew Whitley reports on a challenge to the aims of the PLO in the West Bank

Strike increases pressure on Rangoon

By Roger Matthews in Bangkok

MUCH OF Burma was brought to a standstill yesterday as hundreds of thousands of demnumerous of thousands of cent-onstrators took to the streets of Rangoon and other cities in support of a general strike aimed at intensifying the pressure on the Government to

Despite the huge numbers of demonstrators, diplomats said that they were well disciplined and there were no immediate reports of clashes with troops deployed around key govern-meot installations.

The army did not make any The army did not make any move to interveoe and kept largely out of sight as protesters from all walks of life surged through the streets of the capital and applanded speeches calling for multi-party democracy to replace the apparently paralysed Government headed by President Maung Maung. President Maung Maung.

Reports from Rangoon suggested that commercial, industrial and transport sectors had been halted, with no trains running and the airport

Evacuations of foreign nationals were delayed yesterday because the Rangoon Air-port strike forced cancellation ing into anarchy.

of all flights to Bangkok, The US emhassy had planned to evacuate the first group of its

evacuate the first group of its 100 dependants.

The British Foreign Office urged all Britons to leave as soon as possible because of the "uncertain situation" there. A spokesman said only those with a "pressing need" should stay, adding that the families of British Embassy staff would be leaving. be leaving.

The widespread support for the stoppage again underlined the extent to which the Gov-ernment has lost its authority. However, there was also confu-sion among the opposition forces about the duration of the general strike, with some saying that it was a one-day protest and others arguing that it should be sustained until the Government agreed to quit. But it was also pointed out that the disruption to normal life to the control by life in the capital had become so great during the past month of protests that it almost

inted to a general strike. Some opposition leaders argue that a minimum level of public services must be main-

ing in the Israeli-occupied West

Bank and Gaza Strip.
On the one hand, key elements in the Palestine Liberation Organisation and in the pro-PLO Unified National Lead-ership of the Uprising (Unlu) are edging towards accepting Israel and accepting a partition of Palestine. On the other, the Islamic movement which Israel at least tacitly encouraged in at least tacitly encouraged in the Gaza Strip during the 1970s as a counterweight to the PLO has set its face against any attempt to translate the upris-ing, or intifada, into political gains short of the destruction of Israel.

A N OPEN split appears to be developing within Palestinian ranks over

the political aims of the upris-

The controversy is being watched closely by interested parties from Washington to Tunis, the PLO headquarters, since it may have important implications for eventual efforts to engineer an accom-modation between Israel and the Palestinians
A contest for infinence

Movement - better known by its Arabic acronym Hamas, or "zeal" – and the mainstream nationalist leadership has been waged underground for months. From time to time cracks would appear in the edi-fice, but the assumption remained that Unlu was keeping the upper hand.

A LEADER of the Palestine Liberation Organisation yesterday called for the United Nations to assume temporary responsibility for the Israeli-occupied West Bank and Gaza strip, Reuter reports from Nicosia.

"We call for provision of international protection to the Palestinian citizens and for placing the occupied National Council.

lands under the supervision of the United Nations for a specific time," said Mr Farouk Kaddoumi, head of the PLO political department.

Mr Kaddoumi said the PLO would put various policy options before a forthcoming meeting of the Palestine

Now, under pressure from external events, Hamas has thrown down the gauntlet. Countering Unlu's call in its latest instruction leaflet for Palestinians to stage a full genraistinants to stage a fini general strike in the occupied territories yesterday – the end of the intifuda's ninth month – Hamas has called a rival stoppage for today. It also appealed to Moslems to ignore the earlier date. Minor skirmishes broke out

between supporters of the rival groups last month, the first time Hamas tried to go it alone in the West Bank, far from its stronghold in the Gaza Strip. stronghold in the Gaza Strip.

Shops which stayed open were attacked and petrol bombs thrown. Fears of more such incidents are palpable, according to some of the handful of Palestinians who came to work instead of the palestinians.

yesterday in Jerusalem. For all its muscle-flexing, many questions remain about Hamas: its following and organisational strength, its sources of finance and its back-

ers. In a document dated August 18, now being circulated around East Jerusalem and the West Bank, the group

and the West Bank, the group attempts to answer some of these doubts.

Describing itself as an off-shoot of the mainstream Muslim Brotherhood, founded in Egypt during the 1920s, Hamas cites in defence of its position the Protocols of the Elders of Zion, the notorious anti-Se-Zion, the notorious anti-Se-mitic tract and a proven forg-

The goals of Hamas are the destruction of the state of Israel and its replacement with a model Islamic society. To that end, the document comes ont vehemently against any attempt by the PLO to establish a provisional government or government-in-exile, or even to participate in an interna-tional conference on the Middle East.

The only solution to the Palestinian problem is by Jihad [holy war]," says the doc-ument. "All initiatives, confer-

ences and proposals are a waste of time."

Unin has replied with some harsh comments of its own. Protesting about the damage Hamas supporters have caused to Palestinian owned property, it complained that by following its own course the Islamic group was "giving great help group was "giving great help to the enemy and a big blow to the intifada". It called for mass solidarity with Mr Yassir Arafat, the PLO chairman, in his efforts to win support for the cause from Europe.

cause from Europe.

The rebuke to Hamas was more in sorrow than anger and the door was left open for a reconciliation. But this open talk about disunity within talk about disunity within their own ranks is troubling many of those moderate Palestinians who have lately been exhorting the PLO to take a clear political stand by establishing a provisional government and perhaps offering mutual recognition to Israel.

Gnawing away at Palestinian minds is the belief that even it

Hamas is not entirely an invention of the Shin Bet, the Israeli secret police, it certainly serves Israel's purpose. At one level, its existence has acted as a better tool than any the army has so far found to weaken the common front behind the inticommon front beauth the mi-fuda's success. At another, it can be used by Israeli politi-cians to know to Western gov-ernments and their own elec-torate—in the midst of a bitterly consisted election cam-paign—the folly of attempting to strike a deal with the Pales-tinians over "territory for

To substantiate their suspi-cions, Palestinians point to the surprising failure of the Israeli authorities to arrest and deport Sheikh Ahmed Yassin, the crippled spisitual leader of the Islamic Association in the Gaza

tinians over "territory for

Islamic Association in the Gaza Strip.

While the Shin Bet rounds up large numbers of relativity unimportant figures as a pre-lude to deportation, the immunity so far enjoyed by Sheikh Yasain – a man who previously served several years in jail after a weapons cache was found in his house – is certainly intriguing. tainly intriguing.

"There may be a lot of hot air being blown into Hamas," mused one Western diplomating week. But if the halloon keeps on being inflated a lot of young people are going to believe it's for real, and will join up."

Secretary at the Embassy, Mr Khang Than Nhan, pointing a gun at anti-gov-ernment demonstrators outside the embassy in Kensington on Vietnam's independence lies last Sun-

Firmly informed by Mr
Rogar that the British government did not permit the
pessession of firearms by
foreign diplomats unless
they had a special licence
to de so and that he must
sucreader the effending
weapon, the Ambassador
resterday produced the toy
gun at his interview with
the minister.

However, British officials
were not immediately conwinced that the boy weapon
was, in fast, the one touted
by the Third Secretary.
Unless he can prove conclusizely that he was only
playing games and was not
brandishing a real weapon,
Mr. Khang Than Nhan faces
immediate expulsion from
Britain. Britain.

Namibia talks will get tough'

MR NEII, van Heerden, South African negotiater, sald yester-day that it was beginning to look as though it would be dif-

look as though it would be difficult to start implementing a United Nations plan for independence for Namihia on November 1, Reuter writes from Brassaville.

The beginning to look quite tough, he told reporters on the second day of trombled peace talks in Brazzeville involving South Africa, Angola and Cuba. But he added the three parties had not yet reached the point at which they would consider dropping the November 1 target date.

will meet 1.3 per cent of the Hungarian national demand. The confident environmental movement within Hungary, the Greens in Austria and even

some members of the conserva-

S Korea Olympic protest

HUNDREDS of South Korean Hotel, temporary headquarters students throwing petrol of Mr Juan Antonio Samar-bombs and stones battled riot anch, the International Olympolice in Seoul yesterday after a rally against the Olympic Games, Renter reports from

Police armed with batons prevented the radicals from Ga marching towards the Shilla 17.

"A GRAVE injustice" had been

done to Tun Salleh Abas, Mal-

aysia's former top judge, who was sacked hy the King last month after a tribunal found him guilty of misconduct, the Malaysian Bar Council said

The council, in a comprehen-

sive 19-page report, launched a scathing attack on the integr-

ity of tribunal and said if it had properly analysed the evi-deoce before it, it would have

come a different conclusion.

The report said the composi-

procedure and the manner it

had gone about its work, left

the impression that it was con-

ducting not an inquiry but e

trial, "and that too, a summary trial reflecting an edversarial

The report said the tribunal had ignored affidavits and

exhibits submitted by Tun Sal-

pic Committee president. The students accused President Roh Tae-woo and the US of blocking the participation of communist North Korea in the Games, opening on September

Top Malaysian judge defended

Mahathir Mohammed, the

Prime Minister, had accused

him of bias over an appeal regarding the future of the rul-

ing United Malays Netional

Organisation. The tribunal, in its report, said it found no evidence to support Tun Salleh's

contention.

The harshest criticisms,

however, were reserved for Tan Sri Hamid Omar, the Chief

Justice who took over as acting Lord President of the

Supreme Court from Tun Sal-

The Bar Council said he

should not have accepted the

chairmanship of the tribunal as there was a possibility of a conflict of interest. The report

said Tan Sri Hamid should not

be performing the dual role of tribunal chairman and acting

lord president. While the tribunal wes sitting it said, he should have passed on the run-

ning of the judiciary to the

Japan water polluted

WELLS used by up to 25,000 people for drinking water were contaminated by industrial waste which may cause cancer, Tokyo officials said yesterday, AP-DJ reports from Tokyo. First indications of the pollution were known to officials more than a year ago, but the

Suleiman and four other

judges convened an emergency sitting of the Supreme Court to

stop the tribunal from submit-

ting its report to the King, Tan

Sri Hamid had them suspended by the King on charges of "gross misbehaviour". The Bar Council has passed a vote of no confidence against

Tan Sri Hamid and has called

on him to resign. Senior bar members had also met the var-

ious Malay Sultans, urging

them to intervene to resolve the judicial crisis.

action group, Aliran, has meanwhile suggested that in view of the massive defeat of

his party in the recent Johore

Baru hy-elections, Dr Mahathir

take steps to restore the inde-pendence of the judiciary. It

highly respected socia

Kimitsu city office denied suggestions that the city had waited too long to go public with its information.

Residents who were directly fiected were told, but no public announcement was made because investigations were still under way, it said.

Charges filed in Tokyo stock market scandal

By Stefan Wagstyl in Tokyo BRIBERY charges were filed yesterday in the deepening scandal over unfair stock exchange profits which has gripped Japan. Mr Yanosuke Narazaki,

opposition member of the Diet (parliament), filed charges at the Tokyo district prosecutor's office against Mr Hiromasa Ezoe, former chairman of Recruit, the company at the centre of the affair, Mr Tomouki Ikeda, president Recruit's subsidiary, Recruit os, and Mr Hiroshi Matsnhara, a former senior Recruit official Mr Narazaki

Recruit official. Mr Narazaki alleges that Mr Matsnbara tried to bribe him to stop him pressing for an investigation.

The scandal crupted in June when it emerged that 76 people, including aides to top politicians, including Mr Noboru Takeshita, the Prime Minister, had made huge profits dealing in Recruit Cosmos.

Kenya re-detains Raila Odinga

KENYAN authorities for internal security, yesterday ordered the detention without trial of Mr Raila Odinga, the son of a former vice president and the nation's longest-serving political prisoner before he was freed in February on a presidential pardon, AP reports from Nairobi.

Mr Odinga, who has not appeared in court since being seized on a Nairobi street 10 days ago, was detained under a law permitting indefinite detention without charge or trial, No reason was given for his detention.

according to Mr Bernard Chunga, the deputy state

chinga, the deputy state prosecutor.

The hearing was scheduled originally to consider a request made last Friday by Mr John Khaminwa, Mr Odinga's lawyer, that his client be produced in court and reason be given for his arrest. arrest.

Instead of his request being heard, the detention order was presented, and Mr Khaminwa said the High Court on Friday would decide whether or not to consider or dismiss his request

The 42-year-old son of outspoken former Vice President Oginga Odinga, was arrested on August 30 by plainclothes police, according to family members who say they have not seen him since.

Mr Odinga's detention order was signed by Mr Jackson Angaine, minister of the consider of dismiss in suspected of a rational suspec

a failed 1983 coup attempt against President Moi and was Kenya's longestogerying political prisoner.

Mr Ottings Jams lawyers Mr Wanyiri Kihore and Mr Mingai Karinki and Dayid Mukaru Nganga, a former political science lecturer at the University of Nairebi, all of whom were detained in 1986.

Mr Khaminwa said his client was detained under Kenya's Preservation of Public Security Act, agt the constitutional amendment approved in Angust allowing police to detain a person suspected of a capital crime for up to 14 days without charging him of bringing him to court Previously, police were required to charge a person within 24 hours of arrest.

Mr Odinga had been one 14 political prisoners Kenya

Tutu repeats call for poll boycott

ARCHBISHOP Desmond Tutu courted prosecution yesterday hy repeating in public that hlacks should boycott South Africa's segregated municipal elections next month, Reuter reports from Cape Town. Archbishop Tutu is already under investigation by police

for making a similar statement on Sunday.

The 27-month-old state of emergency in South Africa out. laws incidement to boycott fibe elections. The offence is punishable by up to 10 years in Jail Archbishop Tutu, addressing several thousand students at

Cape Town's Coloured (mixed race) University of the Western Cape, repeated the call he first made from the pulpit of the city's St George's Cathedral Police have setzed tapes of Sunday's senseon. He told the students he was committed to making his call known.

Nagymaros dam

pendence of the judiciary. It said ways should be found to reinstete Tun Salleh and revoke the suspension of the five judges immediately. There are no indications that Dr Mahathir will pay much attention to such demands. leh (who later boycotted the proceedings) supporting his claim that action was taken most senior judge, Tan Sri Wan Suleiman. agaiost him because Dr Instead, when Tan Sri Wan tion to such demands. **WORLD TRADE NEWS**

Soviets in £120m Egypt iron and steel works plan

By Tony Walker in Cairo

THE SOVIET UNION has undertakeo to supply heavy equipment and engineering assistance for a big expansion of Egypt's main iron and steel works under a £120m agree-ment. This is the clearest sign yet that the Russians are resuming e more active trading relationship with Egypt after a break of more than a decade. Relations soured in the early 1970s, when the late President Anwar Sadat expelled more than 15,000 Soviet advisers. Mr Sadat also abrogated a treaty of friendship and co-operation, and in 1981 expelled the Soviet ambassador and members of his staff, accusing them of spy-ing and interfering in Egypt's internal affairs.

SOUTH KOREA will be asked to live up to its international

trade responsibilities and curb allegedly predatory trade prac-

tices at what looks set to be a

problematic meeting in Seoul with senior European Commis-sion officials next week.

Mr Willy De Clercq, Commis-

sioner for external trade, will outline e long list of EC trade grievances to Mr Thoi Kwang

Soo, the South Korean Foreign Minister, during what is likely

to be the most difficult to date

of the annual consultations the

Community has held with

The three-day meeting, from

next Tuesday to Thursday, comes shortly after the Com-mission's controversial deci-

sion to slap provisional anti-

Seoul since 1983.

A spokesman for the Helwan fron and Steel company said yesterday that, with Soviet assistance, it was planned to increase production from 900,000 tons annually to 1.5m tons by 1995. The Soviets will help to modernise furnaces and supply equipment to produce better quality steel products. Much of Egypt's heavy indus-try was Soviet-supplied in the 1950s and 1960s, when relations were close.

Soviet aid is being provided on highly favourable terms. The loan is to be repaid over 10 years with a three-year grace period. Loan repayments are to be settled through a special sterling clearing account which covers all trade between

dumping duties of up to 29.2 per cent on all South Korean

exports of cassette recorders to

series of lingering trade dis-putes between the EC and the fast-developing Sonth East

The mounting deficit is the consequence of South Korean

protectionism at home com-

bined with unfair underpricing in finely targeted markets abroad, Mr De Clarcq will say.

He will in particular renew appeals for Seoul to accord EC exporters the same legal pro-

tection against copyright

infringements as given to their

US competitors there. This issue is so sensitive that it led

the EC late last year to scrap

This is only the latest in a

De Clerq to take EC pleas to Korea

the Community.

Asian state.

Egypt and the Soviet Union.
Egypt exports cotton, citrus Egypt exports cotton, citrus products and some handicrafts in exchange for heavy machinery and spare parts. The two countries last year settled their differences over Egypt's \$3bn (£1.8bn) military deht to the Soviets. The debt was rescheduled over 25 years, and interest claims were waived. The agree-

uled over 25 years, and interest claims were waived. The agree-ment opened the way for the resumption of supplies of spare parts for Egypt's Soviet-made military equipment. Two-way trade has been run-ning at about \$500m annually for several years, and there are plans to increase the volume superantially Political and the substantially. Political and diplomatic contacts are also becoming more frequent.

its companies' preferential rights of access to Europe, a

move which cost them an esti-

in higher customs duties.

mated Ecu50m (£33m) annually

Mr De Clerco will draw attention to the EC's anxieties

over Seoul's refusal to cut

capacity or raise prices in ship-building, which Brussels feels is doing much to worsen the current crisis in world ship-

Also on the Commission's agenda for next week is the damage it feels South Korean

exports are inflicting on sev-

eral sensitive sectors, such as shoes, where Brussels has

sanctioned import controls in

France and Italy which it is considering extending to the

whole Community.

EIU report optimistic on trade growth

By Peter Montagnon, World Trade Editor

THE VOLUME of world trade will grow 6.5 per cent this year for the second year in a row and its rate of growth will decline only slightly to 4.5 per cent in 1989, according to the latest forecast* from the Economist Intelligence Unit.

The forecast, which is more optimistic than a recent General Agreement on Tariffs and Trade projection of a 5 per cent growth this year, suggests that trade flows will grow much more strongly than

gests that trade flows will grow much more strongly than economic output in the industrialised countries.

OECD output should grow 3.6 per cent this year and, following recent increases in interest rates, growth will decline gently to 2.4 per cent in 1989.

The EIU says world trade The KIU says world trade flows are characterised by a dynamic expansion of US exports — forecast to rise 15 per cent this year and 11 per cent next — as well as rising imports by Japan, but it says this will not be sufficient to be lance payments.

Despite the expected changes in trade volumes the US will still have a current account balance of payments deficit of \$130hn in 1989 and Japan a surplus of \$76bu. A further boost to world trade volume should come from rising imports by Asian developing countries.

*World Trade Forecast, published by the Economist Intelli-gence Unit, 25 St James's Street, London SW1A 1HG, as o supplement to the latest issue of Business Update.

Green setback for Hungarian dam

Judy Dempsey reports on a controversial plan for the Danube

are coming under increasing pressure from environmentalists both at Gabeikovo dam home and in Hnngary to review a controversial dam contract signed with the Hungarian Government.

If the contract is reviewed or even withdrawn, it will mean

victory for the independent green movement in Budapest. But at the same time, it will create a huge financial burden oo Hungary and a potential energy problem for neighbour-ing Austria. A demonstration against the

dam is planned in the centre of Budapest on Monday. And on October 5, the Hungarian Parliament, no longer a rubber-stamp institution, will debate the whole issue. Vienna anxiously awaits the outcome. The contract involves the joint construction by the Hungarian and Czechoslovak authorities of dams at Nagymaros in western Hungary and at Gabcikovo in Slovakia, both on the River Danube. The building of four hydro-electrical power stations entails re-route-ing the Dannbe by 180km (100 miles). The project was first agreed between Budapest and Prague in the early 1950s, despite reservations at the time ebout the economic value and environmental effects of the scheme. After numerous consultations while costs escalated, work finally began in the

late 1970s. But over three years ago, independent Hungarian envi-ronmental movements started to protest openly against the dam on the grounds that the re-routeing of the Danube would destroy a unique underground water-filtering system, the water levels would be seri-ously affected and the ecologi-



cal balance would be irreparably damaged. It was at that point that Austria became involved in the costly venture. Its own Green movement, in 1985, had successfully halted the construc-tion in Hainburg, eastern Aus-tria, of a hydro-electric power station and dam. As a result, the Austrian water authorities were left with redundant equipment and the Verbund, the state-owned electricity industry, had to start looking elsewhere for future energy

Neighhouring Hungary seemed a likely alternative. particularly since the financially hard-pressed Bndapest authorities were finding it diffi-

River Danube 100 Miles 160 Km

cult to meet payments for the Nagymaros complex, estimated to cost a minimum of forints
54bn (5586.5m). As if by design,
Austrian banks stepped in to
provide credits while the Verbund reached an energy deal
with Humany with Hungary. Under the terms of the con-tract, Austrian banks lent the

tract, Austrian banks lent the Hungarian Government forints 18.4bn. This sum, in effect, amounts to an advance pay-ment for the electricity Austria will receive from Nagymaros between 1996 and 2015. During that time, the power stations are expected to concerstations are expected to generate about 1,888GW, of which 1,200GW will be supplied to the Verbund. The Hungarians will be left with \$200GW.

be left with 688GW. But this

Greens in Austria and even some members of the conservative Austrian People's Party (OEVP) are now openly campaigning to suspend the work. In Vienna last Monday, Mrs Marga Hubinek, deputy President of the Austrian Parliament, described Austria's support for Nagymaros as "morally contestable" and "morally unjust." Next weekend, Mr Edhard Busek, head of the OEVP in Vienna, will lend his weight to the anti-dam lobby by addressing the Hungarian Democratic Forum, an independent social movement. The growing opposition is not only causing concern in Austria. The Hungarian authorities are now openly asking what it would cost to halt the dam and pay the fines for cancelled contracts.

Failure to complete the Boes-Nagymaros project, its full name, is expected to cost Hungary around forints 39hn would be Hungary around forints 39bn, of which forints 30bn would be paid to Czechoslovakia, which has unreservedly backed the project so far. Hungary would have to pay forints 8bn to Austria and forints 1bn to Hungarian con-tractors for breach of contract. Restoration of the construction site would cost a further forints 16bn. Given Hungary's hard currency debt of over \$18bn and its current budget deficit of

forints 10bn, it is difficult to see where the authorities could raise the money to halt the dam. Austria could possibly step in by lending some cash. But in the meantime, the Hungarian anthorities are under





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OVERSEAS NEWS

Philippines economy struggles unsteadily to its feet

Investment and confidence are rising against background of recession and debt, says Richard Gourlay

nomic recovery, fragile and despite a host of provisos, has taken hold and appears to be becoming more robust and therefore more sustainable, at least in the short

The provisos include \$28hn of debt, domestic demand's dependence on commodity prices, low level of investments from Taiwan and Japan, and the threat of inflation.

However, economists and businessmen are becoming more confident and the economy is finally showing signs of moving out of consumptionbased growth towards invest-ment-led expansion. Real capi-tal fixed formation is strongly ahead of last year and the value of manufacturing output is about 50 per cent up on last

Foreign companies already

established here have seen net incomes in 1987 rise by nearly 30 per cent. Head office reluctance to reinvest profits has largely evaporated. Companies such as Coca Cols and Nestlé are augmenting their dwind-ling spare capacity with new investments. The optimism is shared by local businessmen, most of whom, like their foreign counterparts, have focused on domestic demand. Statistics indicate that the Philippines is beginning to shake off the worst of the 1983-86 shump which saw the Philippines to discuss new loans with creditors

material categories grew by 31

per cent and 28 per cent respec-tively, suggesting active res-

tocking and capital invest-

On the corporate side, the

country's top 1,000 had a bonanza in 1987, with an aver-

age rise in profits of 300 per cent on an 11 per cent increase in turnover. The real estate

and construction booms have arguably had the broadest

impact. Condominiums, super-

markets and office blocks are

not only mushrooming in-

Manila but in a number of

provinces particularly on the island of Mindanao.

Rural earnings also appear to be on the rise - seen for example by a 40 per cent first

ment economists say.

PHILIPPINES government officials will meet commercial creditors in New York on October 4 to discuss a credit package, including new loans, Mr Jose Fernandez, the Central Bank governor, told reporters, Renter writes from Manila

Renter writes from manua.

He declined to specify the amount of new commercial loans the Government would seek but said the new money should help bridge a funding gap of

\$3.1bn in 1989 and 1990.

Mr Fernandez also told reporters that Manila would start negotiations with the International Monetary Fund for an extended financing facility later next month. The Fund had said the country

economy shrink in real terms

by nearly 15 per cent. The country's gross national prod-uct for the first half of the year

was up 6.8 per cent on the year-before, and slightly better than the Government had hoped for.

months of 1988 grew 27 per cent over last year to \$2.1bm, with big increases in non-tradi-tional items such as garments (28 per cent to \$371m) and elec-

tronic equipment (19 per cent-to \$400m).

to \$2.4hn. Although there was

sumer goods, accounting for a

little less than 10 per cent of total imports, in the much larger capital goods and raw

a 47 per cent increase in con-

Imports rose by 24 per cent

Exports in the first four

was eligible for a \$800m (2535m) medium-term facility. The \$3.1bu aggregate financ-ing gap includes \$1.8bu to help build up international reserves in the next two years, he said.

"Who is going to fund this is still what we have to negotiate. The actual objective is to have the entire financial community fill that gap - the IMF, banks, World Bank and Paris Club."

Mr Fernandez said Manila also planned to sit down with the Paris Club of bilat-eral donors to discuss the restructuring of about \$700m of debt maturing from July 1

half nationwide leap in San Miguel's beer sales, which is as good an indicator in the Philip-

pines as the housing starts index is in the US.

While the distribution of wealth remains concentrated

in few hands, the benefits of

the economic recovery do appear to be trickling down to

the rural poor, mainly because

copra prices have risen to \$0.40° a kilo from \$0.08 30 months

Lurking, however, are the inevitable problems, not least of which is the need for world

coconnt product prices to remain high. Officials say that,

coconuts produce 50 per cent of rural GDP and support 17m people, or a third of the popula-

try over. . . the 30 months under the present Government should warrant sucreserved conclusion of negotiations," Mr Fernandez said, but he acknowledged there were tough negotiations ahead. He said an IMF review mission which visited Manila last month was pleased with the Philippines' compliance with car-

tion. Any downturn in com-

modity prices will dent the domestic demand that sparked

the recovery.
Other factors that put the

expected 6 per cent growth into the fragile category include • the low base from which the

recovery starts - GNP per head is less than \$800

• population growth that is out of control at 2.5 per cent a year and means that 900,000

jobs need to be created annually just to maintain employ-

Fears of a balance of pay-ments crisis resulting from the

trade deficit, which is likely to

reach \$1.30n in 1988, are receding, economists say. And, brokers believe, it is the size of the

tain economic targets, such as domestic liquidity and public sector borrowing. They have congratulated us on the rela-tively successful manner in which all the structural reforms were undertake this country. Quite frankly they did not expect us to do it."

deficit that has been behind the recent weakening of the peso, which has weakened by 45 per cent in the past couple of months. Interest rates, at 11-12 per cent, have been used by the Philippines Central Bank to try to support the

The inevitable financing gap that follows a country spend-ing beyond its means should essily be financed with new money from commercial banks, economists say. They are likely to be asked for \$2bn to \$3bn for

the next three years. The key to a sustainable recovery, economists agree, is for the country to attract sufficient investment geared to exports rather than the limited domestic market. Even bullish business people suspect that the export-oriented invest-ments that are arriving are short term and unlikely to lead to a great deal of local value added.

Some businessmen suspect that the right sort of new investments are not arriving yet because the Government has failed so far to create the right environment for foreign companies. "There is an inabil-ity to understand how much foreign investment is neces-sary to get this country back on its feet and that the funds do not exist domestically," says Mr Peter Wallace, a con-sultant in Manila for Business

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You've got a deadline, we've got the lifeline.

MANAGERS of Vickers' office furniture businesses in the UK and France have concluded negotiations for a £35.5m management buy-out to create one of the largest office furniture

groups in Europe.
Vickers, a diversified industrial group with interests in defence and luxury cars, pot its office furniture interests up for sale at the beginning of the year. Last month it sold the Comforto Group, a West German furniture business, for £17.5m to Haworth, a privately owned US company.

The management team has won control of a company with sales of more than £75m and more than 1,800 employees based at large plants in the UK and France, and a small filing cabinet factory in the Irisb

When the buy-out is completed the company, to be re-named VF International, will

ters at Dartford in Kent. Under the terms of the buy-out, which is conditional upon securing the consent of the French Government, the busi-ness will be sold for £27m including a deferred payment of £7.5m. The management team will also take on external

borrowings of £8.5m. The buy-out was co-ordinated by Equity Ventures, the venture capital arm of Security Pacific Hoare Govett. The management team, led by Mr Bob Denton as chief executive, first approached Equity Ventures in

Vickers decided to diversify away from office furniture because it believed it could make a better return by investing in its other areas of activity. The £53m raised by the two office furniture disposals will be divided between the group's

Hope for post talks

FURTHER progress was achieved yesterday in informal talks aimed at ending the strikes which have virtually paralysed Britain's mail service, writes Michael Smith.

Union leaders said the atmosphere in the discussions had improved although there was still a danger of the talks breaking down.
The Post Office said it was

more bopeful of a break-through than it had been on Wednesday. Mr Alan Tuffin, general secretary of the Union of Commnnication Workers, left Bourne-mouth a day before the end of the Trades Union Congress to return to the union's headquarters in London.

Neither he nor Mr Bill Cockburn, managing director of Royal Mail Letters, took a direct part in the discussions.

Mr Alan Johnson, the post
union's assistant general secretary, and Mr Bryan Roberts, personnel director of Royal Mail Letters, were both

Suzuki safety moves

By John Griffiths

SUZUKI GB, the Japanese vehicle importer, is taking legal advice on possible redress against the Consumers' Association over allegations that the four-wheel-drive Suzuki SJ 410 is unsafe. However, the watch-dog body is standing by results

Yesterday's announcement by Suzuki GB follows a deci-sion by US federal safety authorities to reject demands by US consumer groups for the recall of a similar Suzuki model. The US groups had alleged that it rolled over too

Last night, Mr John Beishon, chief executive of the Consumers' Association, said that as far as the UK cars were con-cerned, the evidence from CA

UK soldiers 'carried out frenzied attack' on IRA team

By Joe Garcia in Gibraltar SOLDIERS from Britain's Special Air Service carried out a "frenzied attack" on three embers of the IRA in Gibraltar, and one was shot four times in the head as he lay wounded, the coroner's inquest was told yesterday.

Professor Alan Watson, senior pathologist for the Gov-ernment, said one of the three, Sean Savage, had been shot 16 times. Matread Farrell had eight bullet wounds, including three in the back, and Danny McCann had been shot twice in the back and twice in the

Professor Watson was giving evidence on the third day of the inquest into the deaths of the three IRA members on

March 6.

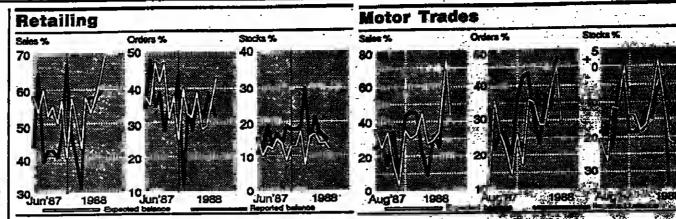
British Intelligence, the inquest heard, thought the IRA members would be armed and that they planned to detonate a suspected car bomb two days later. But it transpired that they were unarmed and that there was no bomb in the car. Explosives, were later.

that there was no bomb in the car. Explosives were later found in another car across the Spanish border.

Professor Watson said that Savage had suffered from more extensive injuries than the others. He had been shot five times in the head and five times in the back. He was also shot in the abdomen, a total of 16 shots, but he died mainly from his head injuries. Four of the shots were probably fired into Savage's brain by a soldier standing over him, the pathologist said.

Professor Watson agreed with Mr Patrick McGrory, law-yer for the families of the deceased, that in maining terms it could be described as a "frenzied attack." Savage, he said, would have been incapa-ble of pulling out a gun or of pressing a switch after the initial maining shots.

Professor Derrick Pounder, professor of forensic medicine at Dundee University, who has advised Mr McGrory, said he would have found it difficult to interpret the injuries had he been under similar limitations to those placed on Professor Watson, who spoke of a lack of co-operation from London.



CBI-FT DISTRIBUTIVE TRADES SURVEY

Retail sales growth still buoyant

early to see any effect of a higher cost of borrowing. Mortgage rate rises had barely begun to affect consumers.

He said: "It remains to be seen how much impact higher response to a question on over-

Britain's economy has grown by an annual average of 13 per cent since the present Government took office in 1979, but the rate has accelerated to an

also +70 per cent.
Mr Nigel Whittaker, survey
panel chairman, said it was too

interest rates will have in the longer run, but their impact on consumer confidence could be quite substantial. Retailers are

becoming increasingly can-tious about the prospects for

The survey was made between August 15 and Sep-

tember 2, a period that included the latest 1-percent-

age-point rise in base rates to

Retail sales have grown strongly since the middle of

Jun'87

1988

BRITISH RETALERS expect buoyant sale growth to con-tinue this month and are more optimistic about sales than in any month for the last four

Their optimism, shown in the Confederation of British Industry/Financial Times distributive trades survey published yesterday, contributed to a steep fall in share prices. It added to fears in financial markets that the UK economy is growing too fast and that interest rates may rise further. By the close, the FT-SE 100 share index was down 16.3 at 1739.8. Government securities also fell, with long-dated gilts dropping almost half a point to

yield 9.95 per cent.
The CBI/FT survey suggests that retail sales growth remains buoyant in spite of the 4%-percentage-point rise in terest rates since the end of

May.
Of 222 retailers questioned,
73 per cent expected September
sales volumes to be higher than a year ago. Only 3 per

cent expected a fall. That balance of plus 70 per cent is the highest since April 1984, when the balance was

Total distribution

60

average 3 per cent since 1981, according to the 1988 edition of Britain's National Accounts, the so called Blue Book, published yesterday. Last year the pace of growth quickened further to 4½ per cent, the fastest since 1973, although the GDP deflator, also rose by nearly 5 per cent, up from 21 per cent. rose by nearly 5 per cent, up from 212 per cent. seas goods. Asked about the proportion of deliveries from suppliers accounted for by imports, compared with a year

last year as earnings growth has outstripped retail price inflation. Sales have also been helped by a big expension in consumer credit, and budget

contrast to previous surveys'

However, the rate of increase in retailers' selling prices accelerated a little last month.

That suggests no growth in import penetration and is in

before, 11 per cent reported rises and 11 per cent reported

ing higher selling prices com-pared with a year before, minus those noting falls, was +82 per cent. That compared with a balance of +78 per-cent in May when the question was earlier asked.

For wholesalers, growth in sales volumes slowed slightly last month but was still ahead of expectations. A belance of

of expectations. A balance of +40 per cent of wholesaler reported sales rises compared

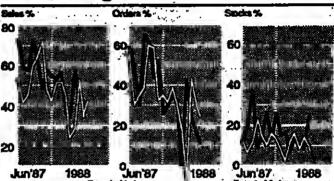
with a year before.

A balance of +41 per cent expect a rise this month, com-pared with September last year. The 149 wholesalers ques-

tioned also reported a rise in import penetration last month.

The rises in base rate since May have been aimed at controlling consumer spending but it is likely to be some months before any impact is apparent. Einancial markets, however, remain sensitive about consumers' spending behaviour.
They believe that without a
marked change, sterling may
weaken significantly – leading to the Government engineering another rise in base rates to maintain downward pressure

on inflation. Wholesaling



Treasury 'will use reserves to back £' gamon

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By Peter Riddell, Political Editor

THE GOVERNMENT THE GUVERNMENT Is prepared to use some of its official reserves to bein keen sterling broadly stable in foreign exchange markets.

Senior ministers stress that Senior ministers stress that the recent sharp rise in the deficit on the current account of the balance of payments should not be seen as a pretent for a devaluation of sterling. The official message is that the aim remains a stable pound to maintain downward

Government is prepared to back its intent by action.

The official reserves now stand at just over \$50hn, having more than doubled in the ing more than doubled in the past two years during the period of the pound's strength. So far there has been little need for much intervention in foreign exchange markets. The pound has remained relatively firm following the immediate pressure in the aftermeth of the poor July trade figures.

However, the Treasury

pressure on inflation, and the

However, the Treasury wants to make plain its readiness to respond, if necessary, if the markets do test its sterling policy in the coming weeks. Ministers are keen to dismiss any parallels with the position two years ago, when the Government accepted a sharp fall in the pound's value

as a one-off response to the halving of the oil price.

Mrs Margaret Thatcher, the Prime Minister, is apparently fully behind Mr Nigel Lawson, quer, and the Bank of England on this approach.

The official emphasis on being prepared to support ster-ling is part of the attempt to reassure the markets in the light of recent nervousness over the current account and rising inflation.

Ministers believe that short-term interest rates are the right way to deal with the right way to use with these domestic problems. No emergency fiscal action is planned this autumn, and redit controls have repeatedly

Ministers are also confident that the current rise in the annual rate of retail price blip, which will be halted next year, rather than the start of an underlying acceleration.

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UK NEWS

Pergamon buys state recruitment agency

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By Richard Donkin

PERGAMON Professional and Financial Services, one of the stock market companies chaired by Mr Robert Maxwell, the publisher, has bought Professional and Executive Recruitment, the Department of Employment's executive recruitment agency, for 52m.

Mr Norman Fowier, the Employment Secretary, announcing the sale yesterday, said the privatisation was breaking new ground as the first mainstream civil service activity to move into the private sector. He said that it was too early to commit himself to PERGAMON · Professional and

vate sector. He said that it was too early to commit himself to the sale of other departments. "I would like to see how this operates before looking further," he said.

PER, which places more than 2,500 middle managers in jobs every year, has a national network of 32 offices with about 250 staff and headquarters in Sheffield, northern England. It was set up in 1974 to provide consultancy and to provide consultancy and advertising recruitment services which included the publication of a newspaper, Executive Post, sent each week to 110,000 executive job seekers.

The agency, operating under a break-even financial target, had an operating defect of £812,000 in 1987/88 on revenue of £9.4m, of which £6.8m related to commercial consul-tancy and publications and £3.1m was accounted for by Community Programme and other Government-related

Under Peragamon it will be able to expand into the lucra-tive head-hunting and higher executive recruitment areas in the growing recruitment ser-

The PER acquisition is part of a wider programme to create an international recruitment services organisation under the Pergamon umbrella. PER will be the flagship of a division which will include Squires Appointments, an agency with 11 branches in the South of England which Pergamon has contracted to buy for £4.7m.

The third addition is expected to be Human Resources, the executive search subsidiary of AGB Research, the market research group which last, week recommended a £134m takeover offer from Pergamon.

TRADES UNION CONGRESS IN BOURNEMOUTH

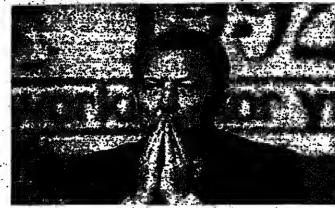
Congress backs away from mistrust of EC

THE TUC yesterdey manimously adopted a wide-ranging motion and accompanying report that accepts the need to work within the EC, in an attempt to ensure that the creation of a single European market for goods and services market for goods and services in 1992 is accompanied by e social dimension of stronger rights for workers and unions.

The vote, which followed an address to the Bournemouth Congress by Mr Jacques Delors, the president of the European Commission, marks a fundamental shift in the British prions' approach to the ish unions' approach to the European Community.

Most unions campaigned strongly against Britain's entry into the EEC in 1971. However, introducing yesterday's debate on 1992. Mr Norman Willis, the THC's general secretary, warned members that their participation could not be participation could not be grudging if they were to win gains from Europeanisation.

Mr Roy Grantham, general secretary of Apex, the office workers' union, proposing the motion, said it marked an historic turning point in the TUC position on Europe. The 1990s would be the age of the European union, able to



Jacques Delors addresses the TUC conference

match the power of integrated European companies, Mr Doug-las Hoyle, of the MSF, general technical union, told delegates. The motion calls on the TUC to cooperate with other Euro-

m unions to establish opporpean unions to establish oppor-funities for common EC-wide bargaining. The TUC will in addition press the European Commission to set up formal tripartite meetings of unions, employers and governments.
It also commits the TUC to campaign through the Euro-

pean TUC for a charter of workers' rights including industrial democracy; protec-tion of employees' interests during takeovers; common sickness, retirement and pensions; retraining for workers made redundant; and provi-sions outlawing sex discrimination in employment.

The TUC will also conduct a detailed analysis of the impact on employment of the creation

Rejection of training is not total By Jimmy Burns

CONFIRMATION that individual unions, including the TGWU general workers' umon, will continue to co-oper-ate with the Government's controversial Employment Training scheme, despite the TOC vote to boycott it, surfaced yesterday during a debate on the construction industry.

In a tacit endorsement of his union's continuing participa-tion in ET through the Con-struction Industry Training Board, Mr Albert Williams, general secretary of Ucatt, the main construction union, urged the TUC to put greater emphasis on training so as to insure that the industry was not taken over by "highly trained European craftsmen".

Mr George Henderson, a national officer representing construction workers in Britain's largest union, the TGWU, echoed his union's con-demnation of the Government's training record. However, he underlined his unions' past and present involvement with the CITB and suggested that his union had been misrepresented as being totally interesticant on the terms

Fraternal delegates at the TUC

Jimmy Burns meets some of the foreign visitors in Bournemouth

HE UNION leader representing most members af this year's Trades Union Congress in Bournemouth is not, as most people think, Mr Ron Todd, general secretary of the 1.2m strong TGWU, general workers

union.

The most powerful trada unionist is Mr Huan Rujie. But he walks unnoticed around the conference centre. For Mr Rujie, is the secretary of the All China Federation of Trade Unions, which has 84m more members than the TUC's 9m. Mr Rujie, on his first ever fraternal visit to a TUC Congress, declared himself greatly impressed by a slogan he had seen in the corridors of the conference centre.

"Your union working for you. That is a very good slo-gan. It is indeed the duty of a

union to work on behalf of its members," he commented. Beyond that he seemed to have

very little else to say.

Mr Juan Moreno, a Spanish delegate, was rather more talkative. He said he was "shocked" hy the position taken by the EETPU electricians' union – expelled from the TUC on Monday over two disputed company agreements — andits ramifications.

"The stand taken by the elec-tricians is against fundamental trade union principles of soli-darity and I think it will be viewed as such not only in Spain but throughout Europe." He had spent part of the week listening to TUC delegates bemoaning Ford's decision to move an electronics plant originally planned for Dundee, Scotland, to Spain.

found it difficult to understand the fuss about TUC splits and single-unionism. He is a member of the Communist Comisiones Obreras, one of two major rival trade union centres which have for long co-existed

Nevertheless, far from hop-ing that the British would take their cue from the Spanish example and allow the EETPU and its allies to set up a rival trade union organisation, Mr Moreno had nothing but praise for the concept of an undivided and single TUC. "One of the reasons that

Government and employers don't mind multi-unionism in Spain is because a relatively small number of Spanish work-ers are unionised," he com-mented. "In Spain we would be much stronger if there was sin-

TUC."
Mr Vsevolod Mozhaev, a Soviet trade unionist representing the Prague-based World Federation of Trade Unions, attending his seven-teenth TUC, is the doyen of the fraternal foreign delegates.

Mr Mozhaev was full of the spirit of perestroika, openess and democracy. "There are many issues of common concern here . . . the social impli-catons of 1992 and health and safety for example . . . all trade unions in the world should co-operate on this," he

But even such Soviet trade union openness appears to have its limits. His verdict on Mr Eric Hammond, the EETPU's general secretary: "Mr Hammond does not help anti-Communist prejudice."

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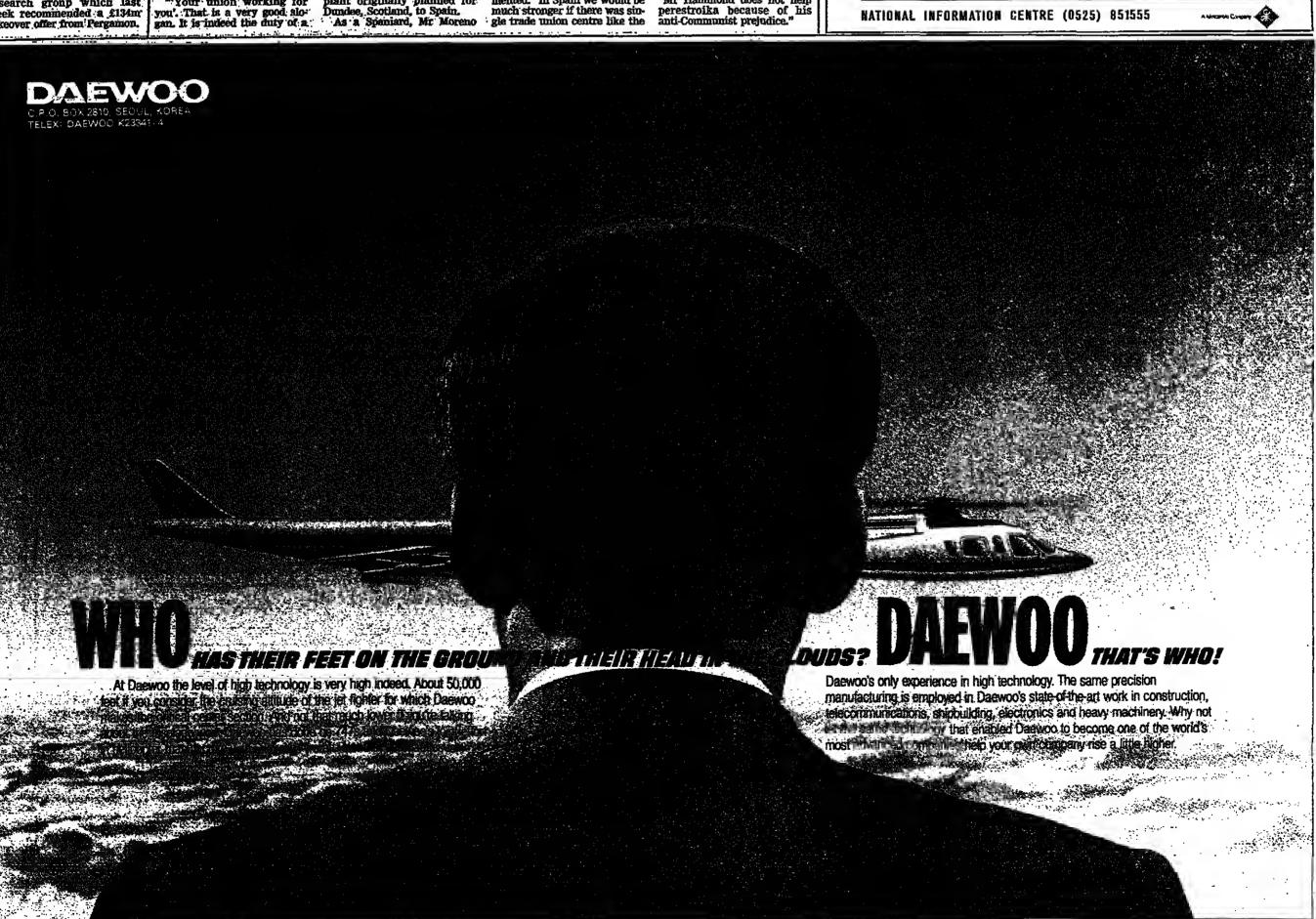
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UK NEWS

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UK leads in race W Europe for Hitachi Seiki plant project

HITACHI SEIKI, Japan's sixth is planning to produce in Europe with a plant in the UK being the front-running proj-

ect.
The company makes computer-controlled machining centres and lathes and last year had worldwide sales worth

Hitachi Seiki is an independent company unconnected with the Hitachi conglomerate. The word Seiki means "preci-

It has discussed setting up a joint venture production opera-tion with companies in Britain. The company recently bought out Terex Berger, its UK distributor, renaming it

put at its £35m plant opened in Worcester last year. Mr Masao Naka, Hitachi

Hitschi Seiki UK.
Yamazaki of Japan, one of
the world's biggest machinetool makers, is increasing out-

Seiki's director of overseas operations and a member of the main board, yesterday said areas other than the UK had

not been ruled out.

However, Mr Naka said plans were not far enough advanced to decide whether to invest in a greenfield produc-tion site or a joint venture. European machine-tool mak-

ers have been worried that opening up the European mar-ket in the 1990s would ease Japanese penetration.

Japanese machine-tool makers already have about 30 per cent of European sales of lathes and machining centres. but their share is more than 70 per cent in the US.

per cent in the US.

Mr Naka emphasised the importance of a more unified Buropean market.

Hitachi Seiki has a small assembly facility in Congers.

New York, and has started building a larger assembly

building a larger assembly facility in Huntsville, Alahama.

Mitutoyo in move to Telford

By Terry Dodsworth, Industrial Editor

MITUTOYO, one of the world's leading precision measuring instrument companies, yester-day became the tenth Japanese company to set up production operations at Telford in Shrop-

The company's announcement follows a rapid increase in Japanese investment in Telford, where six Japanese com-panies have decided to develop in the last two years.

The town first attracted Japanese capital when Maxell, the audio tape group, moved there in 1983. Since then, Japanese investment has risen to a total of around £120m, about half of it accounted for by NEC, the diversified electronics group. diversified electronics group.

Mr David Thomson, managing director of Mitutoyo in the UK, said yesterday the company would be spending just over \$5m on its first Telford plant, which was expected to employ between 50 and 100 people. At least 60 per cent of the components in the prod-ucts were likely to be sourced in the UK, he added.

Mitutoyo established its first wholly-owned subsidiary in the UK only eight year ago, expanding since then to a turn-

over of £15m a year. Growth in the last few years had been particularly rapid, Mr Thomson said, because of the increased awareness for higher-quality products in

'needs more airports to cut delays'

By Michael Doone. Aerospace Correspondent

EFFORTS to ease air traffic congestion over Western-Europe will achieve success only through the construction of additional runways and new airports, according to a special task force set up by the Inter-national Air Transport Associ-

The association, represent-ing more than 170 of the world's airlines, called for a study earlier this summer into airspace and airport conges-tion, which had led to long delays for air travellers.

delays for air travellers.

A statement, issued yesterday by the chairman of the task force, Captain Dick White, chief operating officer of Aer Lingus, the Irish airlines, said that the solution to the problem was often beyond the scope and control of individual airport authorities.

He said they could not by

He said they could not by themselves take decisions to build the new facilities.

Mr White said: "Government decision-makers must recognise that if there is to be true.

liberalisation of air transport in Europe, then there must be a commensurate increase in the capacity of the air trans-port infrastructure. "One cannot continue to

expect to have all of the benefits of liberalisation, such as increased competition, lower fares, etc, without making the difficult political decisions, such as construction of additional facilities or the allertational facilities or the allevia-tion of environmental operat-ing restrictions and night

The task force said that planning, designing and con-structing a new runway took a minimum of five years and a new airport at least 10 years.

It said that the much higher volume of traffic in Europe expected around the year 2000 which was likely to be about double the present level, could be achieved only by the intro-duction of improved technology in air traffic control

Rolls-Royce in joint jet study

ROLLS-ROYCE and Guilisheam Aerospace Curpora-tion of the US are studying engine and sircust designs for a possible supersonic business aircraft for service at the end of the century. Gulfstream Aerospace has

committed itself to spending up to \$20m (£11.8m) each year for the next three years on an engineering study for a supersonic business jet, Mr Allen Paulson, Gulfstream's chairman and chief executive, said

The aircraft would be expected to travel at one and a half to two times the speed of sound, extraing 10 to 12 passengers and two craws.

It would have a range of 4,000 statute miles and be about 100 ft long, with a wing-spen of 50 ft, a gross weight of 80,000 he and a cruise altitude

of about 60,000 ft.

Sir Ralph Robins, managing director of Rolls-Royce, said the company was working on studies for a supersonic business jet engine that might be used for the new Gulfstream

Mr Paulson said he expected that Gulfatream would eventu-ally expand its design from a supersonic huginess jet to a supersonic airliner. The company was looking at technology to get rid of the sonic boom."

Airbus opens bids for A-340 suppliers

AIRBUS INDUSTRIE, the European sirliner manufactur-ing group, has begun selecting sub-contractors and equipment suppliers for its new A-330 twin-engined, medium-range and A-340 four-engined,

and A-340 four-engined, long-range airliners.

Over 600 suppliers around the world will be involved, with companies bidding from the UK, US, Austria, Australia, Canada, China, Greece, Italy, India, Japan, Korea, Portugal and Yugoslavia.

In addition, the four leading partner companies of Airbus are collectively spending a fur-ther \$1bn on extra facilities.

These include new hangurs at Toulouse built by Aérospa tiale, extensions to .. the runways at the Bremen and Hamburg factories of Messerschmitt-Bölkow-Blohm in West Germany, and extensions to the wing factories of

Long Fokker 100 offered By Michael Donne, Aerospace Correspondent

FOKKER AIRCRAFT of the said at the Famborough Inter-Netherlands is to offer a national Airshow that stretched version of its Type full-scale development would 100 twin-engined jet airliner, depend on winning enough with 130 sears against the pres-Netherlands is to offer a stretched version of its Type 100 twin-engined jet airliner, with 130 seats against the pres-

ent 100-seat version.

This has been made possible by the launch, announced this week, by Rolls-Royce of its

more powerful version of the Tay jet engine. Dr. Reinder Van Duinen, president of Fokker Aircraft,

bigger aircraft might start within three years of a formal launch decision.

Dr Van Dumen also said that

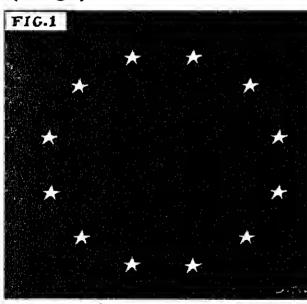
Fokker was discussing with the airlines a proposal to enlarge its other main product, the Fokker Type 50

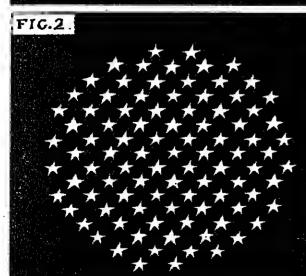
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NMB Depositary Company BV Amsterdam, 9 September 1988

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THE PROPERTY MARKET

a City of London complaint. Its manifesta-tions are nervousness in the aftermath of the equity market crash, made more acute by the low volume of securities trading. It is set off by the sight of cranes on the skyline hovering over all the new office space about to come onto the market.

John Cameron, executive director of County NatWest. the investment bank, spotted the crane syndrome and noted its relevance to bank lending for City property develop-ments. "Credit committees do

There has been greater cantion in the lending market since last October, because, as Cameron puts it, "it is not just the graph but the continuing the crash but the continuing malaise in the securities markets and the effect this will have on office demand from the securities institutions. although demand holds up from other firms and rents are still maintaining their high levels - particularly for well designed new buildings."

On top of this comes the new environment of higher interest rates. "That may have a bigger impact than the crash in terms of slowing up the pace of development although we have not seen all the repercussions yet,"

There are a lot of unanswered and probably unanswerable questions about where the market for City property is going and how exposed are the property devel-opment companies. It has not escaped notice that the 1974 property crash was caused at least in part by a sudden rise

Crane syndrome stalks the skyline

Paul Cheeseright reports on caution among lending institutions towards City development

in interest rates and the choking off of demand for space.

Nor has it escaped notice that the amount of bank lending to property companies has spiralled upwards and that the Hank of England expressed concern about it even before the October market crash.

But the total picture is a fuzzy one. The only consensus is that although this nicture is

is that, although this picture is not as bright as it was a year ago, conditions are not like 1974 and that the market is still led by demand.

First, take the cranes and the amount of construction coming out of the ground. Kevin Clarke of Jones Lang Wootton, chartered surveyors, comments: "If everything under construction at the moment was all built and there were no takers, you'd be talking about a vacancy rate the proportion of the total stock that is unoccupied - of 6 or 7 per cent. That is not high.

In the City, the vacancy rate has been the lowest of the major financial centres at between 1.6 and 2 per cent, compared with a mid-town New York vacancy rate of 15 potential space in the pipeline if all the planning consents are taken into account. If all that is built then there really would be a problem, but there are few

be a problem, but there are few who believe it is conceivable.

Recent buying by developers has tended to concentrate on buildings where there is a stream of rental revenue, so that the financial charges are looked after and there is no pressure to develop. Greycoat, for example, does not have to redevelop Moor House on London Wall; it can simply nurse the rents along.

This raises the second point. Given the crane syndrome, there is little enthnsiasm among the banks for lending on projects where there is too much hope in the financial

mncb hope in the financial appraisals.

All banks will say that their lending policies are prudent, based on strict criteria. They could not be expected to say anything else. Typically they will demand that the developer has some equity, say up to 20 per cent, in the project and they will be prepared to make

But there is much more 65 per cent of its completed

value.
That applied before last October as well, but there seems little doubt that last year some banks were pre-pared to lend funds on the basis of project values inflated basis of project values inflated by an expectation that rents would rise. Now they are more likely to demand that project values are computed on the basis of rents as they are now, in the market place.

That said, there is still a

huge amount of bank money at large in the property sector, and this is the third point in trying to find the lines of the fuzzy picture. Bank of England figures track the increase in figures track the increase in lending: £9.3bn at the end of 1986, £13.3bn at the end of 1987

and now £16.6bn.

But these figures relate to the whole of Britain. They concern not commitments from banks, but money drawn from banks, and they depend on the way in which the lending banks make their returns to the Bank of England. So they

are vague.

Jones Lang Wootton estimates that of the total outstanding, 55 per cent probably

The way the money flows property: 5,420 7,076 16.861

of that, it thinks up to 40 per cent relates to the City proper. It guesses, and emphasises it is guessing, that there is between 24bn and 25bn of short term finance active in the City.

On surer ground, it has cal-culated that last year property development companies spent 1945m on the acquisition of land and buildings, but that the rate of purchases slackened in the first half of this year to

At any rate, the borrowed money is attracting interest payments. So the fourth point of fuzziness is the extent to which property development companies will be hurt if interest rates stay at their present

levels for any length of time. There is a point of departure here from the 1974 crash in that, since then, banking instruments have become increasingly sophisticated. It is possible to hedge interest rates so that development companies do not have to work on a cost plus basis but on the knowledge of fixed financial costs. What is not known is the extent to which the companies have availed themselves of this

There is also the fact that a high proportion of the construction in the City is pre-let, so that much of the contracted expenditure by property devel-opment companies is already underwritten by contractual

income in these cases, and even if there is no interest rate hedging, the worst that can happen to a developer is a reduction in margins. This might be painful but would not necessarily be disastrous.

The next factor about the rise in interest rates is that there was a move in the property industry to shift from variable rate to fixed rate debt through the issue of dehentures and so on.

This move was characteristic: of the property investment companies who took the opportunity before rates went up to raise long term funds. But the role of the property investment companies in the City market is larger than that of the deve opment companies.

In a report last year, County NatWest and Baker Harris Saunders, chartered surveyors, stated that only 13.5 per cent of proposed new office supply is being undertaken by property trading companies on short term finance.

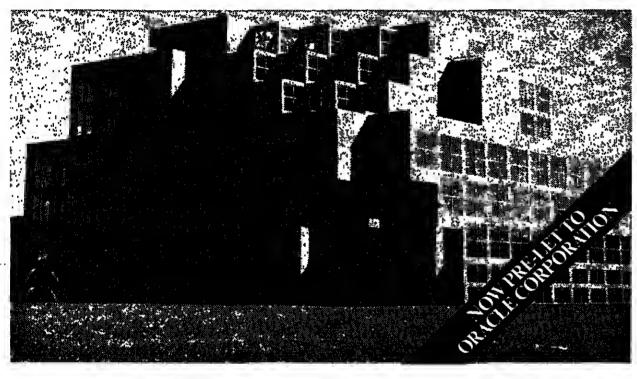
The report also calculated that 45 per cent of proposed development is being undertaken by the UK corporate sector, as opposed to, say, foreign tor, as opposed to, say, twents owner-occupiers or financial institutions, and that of this corporate involvement, 75 per cent was represented by the proposals of six property investment companies.

All of this suggests that although sentiment in the City property market hay have changed, and perhaps with good cause, the market itself is not betering on the eige of an abyss. But there will be some pretty hard thinking about the medium-term prospec

These prospects need to take These prospects need to take into account all the developments in London Pocklands, Kings Cross, Holborn Fladuct and Paddington. They need to take note of the likely impact of the imposition of value added tax on property tripsactions next year and rating revaluations and the intriduction of the uniform business. ion of the uniform bush rate from 1990.

For those with a taste for coincidence, the last rating revaulation came into effect the year before the 1974 property crash. But precedent need not equal nemesis.

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DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermor companies, payable to members registered at the close of but ness on 23 Sept

nbers of the companies will be closed from 26 Sop

The registers of includes a feet companies with a Casa find a Sopherical Sopherical Companies. The dividends are declared in the currency of the Republic of South Africa, Payments from the United Kingdom office will be made in Sterling at the rate of exchange ruling on CS October 1988, or the first day thereafter on which a rate of exchange is available. Dividend warrants will be posted on 4 November 1988.

The companies mentioned are incorporated in the Republic of South Africa unit (cents) Bracken Mines Limited 140 25 Company number 59/01124/06 Unisel Gold Mines Limited Company number 72/10604/06 Winkelhaak Mines Limited 50 145 Company number 55/03606/06

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NOTICE TO HOLDERS OF WA

HELH MILK PRODUCTS CO., LTD.

At the meeting of the Soard of Directors of Melii Milk Products Co., Ltd. (the "Con-Melji Milk Products Co., Ltd. (the "Com-pany") held on 6th September, 1986, a resolution was adopted for the lease of new shares by way of tree distribution, particu-lars of which are given below. Consequently the subscription price of the captioned war-rates (the "Warrants") shall be adjusted, as specifically provided in paragraph 3 below.

2) The tree distribution shall be made on 18th November, 1933, but the dividends for these new shares will accruse as from tel October, 1988, Tokyo time.

5) Pursuant to Condition 3(f) of the instru-ment, the superription price will be adjusted from Yen 806 to Yen 794.70 per share of the Company's common stock. The new sub-scription price will become effective on tat October. 1988, which is immediately after the

THE KYOWA BANK, LTD.

as Principal Paying Agent for and on behalf of MEJI MEJK PRODUCTS CO., LTD.

LEGAL NOTICES No.436 of 1958 IN THE HIGH COURT OF JUSTICE MANCHESTER DISTRICT REGISTRY IN THE MATTER OF

EDINGTON pic -and-IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on 5th September 1985 presented to Her Mitjesty's High Court of Justice upon the application of the above named Sclington pic prises registered critica is situate at Crowne House Safets Southwark Street, Company Strike, for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above named Company from \$10,000,000 to \$2,000,000 by cancelling aberes of the said Company in the proposed \$1,000,102 resulting from the proposed reduction in capital to to be applied in psying up in full new Ordinary Shares of the said Company.

AND NOTICE IS FLRTHER GIVEN that the said Patidon is directed to be heard before the Honourable Mir Justice Scott Vice Chancellor of the County Patistine of Lancacier at the Royal Courte of Justice, Strand, London on Tuesday the 20th day of September 1985 at 10.30 erg.

ANY Creditor or Shereholder of the said Company dealing to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of the learing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same. DATED this 9th day of Soptember 1988

No. 457 of 1968 EN THE HIGH COURT OF JUSTICE CHANCERY DIVISION MANCHESTER DISTRICT REGISTRY IN THE MATTER OF

- and -IN THE MATTER OF THE COMPANIES ACT 1985

MOTICE IS HEREBY GIVEN that a Petition was on 5th September 1985 presented to Her Majesty's High Court of Justice upon the application of the above named Heary Cooks, Lumiden Public Limited Company whose registered office is situate at 1 King Street, Mahchester MSS SAH for (a) the admitioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above named Company from 22,175,000 to 51,234,840 by canceling shares of the sald Company in accordance with the terms of the said Company in accordance with the terms of the said Scheme of Arrangement. The capital reserve of 1850,360 resulting from the proposed reduction in capital is to be applied in paying up in tull new Ordinary Shares of the said Company.

AND NOTICE IS FURTHER CIVEN that the said Petition is directed to be heard before the Honourable Mr Justice Scott Vice Charcellor of the County Patistine of Lancaster at the Reyal County of Austica, Strand, London on Tuesday the 20th day of September 1988 at 10.30 km.

ANY Creditor or Shareholder of the said Company desiring in oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of the hearing to person or by Councel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Stater Healts of 71 Princess Street Manchester M2 4HL

London Transfer Office

SOCIETE GENERALE

JPY 7.500.000.000

REVERSE FLOATING

RATE NOTES DUE 1991

For the period September 8, 1988

to March 7, 1989, the notes will

bear an interest rate factor

at 3,36586%.

The interest due

on March 8, 1989

JPY 336,586 and has been

computed on the actual number

of days elapsed (181) divided by 360.

The Principal Paying Agent,

SOCIETE GENERALE

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in the case of mon-resident shareholders, taxation of 15 per cord will be deducted. The full conditions of payment may be inspected at or obtained from the London office.

London Secretaries 30 By Place London EC1N6UA

U.S.100,000,000 2 3/6 PER CENT PERIOD, GUARANTEED BONDS DUE 1892 WITH WARRANTS

Pursuant to Clauses 3 and 4 of the instru-ment dated 7th January, 1987, the following notice shall be given.

The tree distribution of new shares will be made to shareholders of rocord as of 30th September, 1968, Totyo time, at a ratio of 0.14 for each one share hold.

HENRY COOKE, LUMSDEN PUBLIC LIMITED COMPANY

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THE ROMAN EMPIRE

most remarkable thing about the Roman Empire was that, at its greatest geographic extension, its security was assured by a mere thirty legions. From Scotland to Egypt no more than 180,000 regular troops kept the Empire in tranquility.

The key to this manpower-efficient defense was the metalled road.

Metalled roads provided a great logistic advantage over ordinary dirt highways, which could not support the traffic of a marching legion (around 6,000 troops and a like number of animals). Even in dry weather, movement was restricted to about twelve miles per day. In rain and snow, dirt roads were churned into quagmires, and movement stopped altogether.

But on their extensive network of paved, engineered roads, the Roman troops could march thirty miles a day - in all weather. Legions could be quickly shuttled around the empire to respond to unrest in one province, or the invasion of another. In this way, Rome could afford a much smaller defense establishment than the geographic size

of her empire would suggest.
In the late 20th century this lesson of strategic and tactical mobility is still apt. For the United States,

with our global commitments, our Roman roads are our airlift fleet.

Presently that logistic potential is adequate to respond to small scale crises around the world. But in the event of a major outbreak overseas, and given the strength of our current airlift fleet, there has been some debate as to our ability to protect our worldwide interests.

Flexibility is critical to an efficient defense. Julius Caesar understood it. All Romans understood it. It was the primary reason for their paved roads. Without them, the Roman Empire would not have lasted as long as it did, for the mere knowledge that legions could be on the scene within weeks was usually sufficient to keep the peace.

In the near future, the knowledge that overwhelming American force might be on the scene within hours would give pause to potential enemies. And that, in the final analysis, would be the most efficient defense of all.



TECHNOLOGY



Rules that struggle to stay in the race

Paul Abrahams examines the chemical and logistical problems of testing athletes for drugs

ater this month, some 12,000 athletes in Seoul will attempt to fulfil the targets of faster, higher and stronger, set by the founder of the modern Olympic movement, Pierre de Coubertin. Some will have used proscribed drues.

scribed drugs.

The International Olympic Committee (IOC) has set up e special laboratory in South Korea so that mora athletes can be tested than in any previous Olympic Games, in an

vious Olympic Games, in an effort to stamp out abuse.

The number of Olympic athletes who use substances banned by the IOC to enhance their performance is almost impossible to quantify. Estimates vary from less than 5 per cent to 80 per cent

per cent to 80 per cent.

In the UK an inquiry, set up by the British Amateur Athletic Board and led by Peter Coni QC, reported last week that 10 per cent of leading British athletes might have used

banned substances at one time.

Many believe that the figure for worldwide use is much higher. Three years ago, Daley Thompson, the British decathlete, said that as many as 80 per cent of America's international athletes and 30 per cent of Britains had used drugs to improve their performance.

What is clear is that there is a discrepancy between usage and detection because of the limits on testing. Last year, of the 37,882 samples taken throughout the world, only 854 were found positive — a rate of about 2.25 per cent.

Moreover, many of these tests showed np drugs proscribed by the IOC, but which had been used for therapeutic purposes. For example, at the US Olympic trials this year although 3 per cent of tests were positive, only one athlete was disqualified.

was disqualified.

Dr David Cowan, associate director of the drug cootrol centre at Kings College, Chalsea, which is funded by the Sports Council and is the only accredited centre in the UK, explains that testing urine samples for drugs involves two

complex processes.

First comes chromatography. Chemicals are extracted from the urine hy a solveot. The mixture is then turned into a gas and passed through a silical column with a series of exits of between 0.25 mm and 0.3 mm in diameter. The lengths of the exit tubes vary from 10 to 25 m.

The time it takes for individuals.

exit tubes vary from 10 to 25 m.

The time it takes for individual substances to reach the
end of the tubes indicates their
chemical structure and gives
an idea of the sort of molecule
involved.

The substances can then be subjected to the second process, mass spectrometry, ions within the separated materials are examined. Each chemical contains ions at different masses and intensities. By looking at the constituent ions, a form of fingerprint can be created and then matched with a library of known substances. Cowan explains that the laboratory is looking for five main categories of banned drug (and the substances they sometimes

produce in the body):

• Anabolic androgenic steroids are probably the most frequently used. Of the 854 positive tests recorded last year, 521 were for steroids.

These drugs are synthetic

derivatives of the male hormore testosterone. They are thought to help increase the amount of nitrogen retained by the body, a gas which facilitates the cooversion of amino acids — which come from pro-

tein foods — into muscle.

Steroids also have psychological effects. They are understood to increase aggressiveness and to allow athletes to train harder and longer. With a correct diet, the athlete cen gain muscle weight rapidly.

Stimulants are the second most common, with 301 positives last year. Many are used to stimulate the central nervous system, allowing the body to tolerate higher levels of the pain-causing lactic acid created

during exercise.

Stimulants also include substances which mimic natural adrenalin and noradrenalin; the alkaloid drugs, ephedrines, which are often found in cold, asthma and hay fever remedies; and others, such as bemigride, which increase the capacity of the respiratory system to place oxygen in the

blood stream.

Beta blockers are used in such sports as archery, shooting and ski jumping for their calming effect on heart rate and blood pressure. These substances block the receptors which absorb adrenalin and reduce its impact.

Narcotics and analgesics,

which act as pain killers, have been used in cycling to reduce the risk of cramp.

• Diuretics, which remove water from the body, can be used for weight loss in boxing and for diluting urine in the

remain undetected.
On top of searching for all these, laboratories also have to deal with the masking agents which are used to try to cover

up their presence, in particular, that of steroids.

Cowan admits that it is as yet impossible to do anything about human growth hormones, which exist in the body naturally, or about blood doping, which involves the injection before a race of previously stored blood to increase the capacity of the circulatory sys-

tem to carry oxygen to mus-

The only occasion when blood doping has been discovered was when Martti Vainio, the Finnish 10,000 m runner, was injected with blood before the 1984 Olympics. The blood had been taken and stored while he was on steroids and although he had stopped taking the drugs before the Games, the old blood showed up positive in tests.

Another problem with present tests is that athletes are using increasing oumbers of drugs which are oot yet officially banned. Pedro Delgado, this year's winner of the Tour de France, was found to have traces of probenecide, a masking agent for anabolic steroids. Although the drug is banned by the IOC, it was not due to be placed on the proscribed list of the international Cycling

Union until after the race.

The testing regulations contain other loopholes. Most tests are conducted at competitions, but many athletes come off steroids before the meetings, so retaining many of the benefits without risking detection.



Michèle Verroken, senior drugs control officer at the Sports Council in the UK, says testing must be done between competitions if it is to be fully effective. At present Norway, Anatralia and the UK are among the few countries where athletes are liable to be tested

at any time.

This year the Sports Council will fund about 800 tests outside competitions. It was one of these that caught the British pole vaulter, Jeff Gutteridge, at Lanzarote in April. He had won every major UK title the previous year.

previous year.
Although out-of-competition.

testing is the most effective method of preventing steroid abuse, it is not carried out in the U.S. "Ideally, we would have out-of-competition testing," says Frank Üryasv, director of sports sciences at the National Collegiate Athletic Association (NCAA). "But the legal system makes it almost

Uryasv explains that some US states have liberal provision for privacy. An injunction was recently passed in California preventing the NGAA testing Stanford athletes even during competitions.

"All year testing would have

a much higher rate of positives," says Mike Moran, of the US Olympic Committee. "But at present we even have to announce in advance which competitions we will be testing. The legal climate can hardly support competition testing — out-of-competition testing is really just a dream." Moran admits that wide-

Moran admits that widespread testing would also be expensive. Each one costs about \$200 (£120) to process. The NCAA, for example, spends \$1.5m a year testing 3,000 athletes at 76 championahips. A world-wide system of random out of competition

testing would have considerable logistical problems.
It is not even clear that the right culture is fostered by sports federations. Ben Plucknett, who at one time held the world discus record, was found positive at the Pacific Conference Games and banned from competing for 18 months by the International Amateur Athletic Federation (IAAF). However, he was subsequently world US athlete of the year by the Athletic Congress, the governing body of athletics in the

Similarly, Martti Vainto of Finland was able to run in the European Championships only 18 months after being stripped of his Olympic 10,000 m silver

medal.

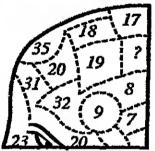
The London-based IAAF has recently changed the sanctions available for drug abuse. Since the 1987 World Championships in Rome, minor offences for drugs such as the sphedrines, which can be found in over-the-counter cold preparations, carry a han of three months for the first offence, two years for the second and life for the third. The other drugs now carry a mandstory two-year ban for the first offence and a life ban for the

second.

But the IAAF points out that athletes risk far more than bans if they take drugs. Many of the substances taken to improve performance are also denogenees.

Last year Der Spiegel, the West German magazine, ran an article about the heptathlete, Birgit Dressel. Over a period of a year, she received more than 400 injections, as she moved from Eard to sixth in the world rankings. It took three days for her to die from toxic poisoning from the cocktail of substances within her. She was 26.

Drug abuse not only hurts the athletes, it can also injure their sport. Much of the sponsorship and television coverage that athletics receives is derived from its clean image. If that image is destroyed, then athletics risks losing the money that has transformed it from a Cinderella to a queen of big time sports.



WORTH WATCHING

Edited by Geoffrey Charlish

Through the wall to the cleaners

HINCHLEY Automation, a small UK company, has developed an automated system for dry cleaning and laundry businesses, aimed at improving service and cutting overheads.

cutting overheads.
It enables a customer to deposit and collect clothes without dealing with an

assistant.

The customer opens a flap in the wall of the premises by putting a credit card through a reader. He or she then deposits clothes on fixed hangers or in bags and keys in the details. The price

appears on a screen.

A ticket is printed out for the customer and the clothes are tagged by an operator, using the credit card number. These tags stay with the clothes during the trip to the cleaning plant. When the

(3

clothes come back, the tag numbers are related to the credit card number to enable the operator to put the items into position on a rack, as

directed by a computer.
When the customer returns, he reinserts his card and a selection unit, controlled by a microprocessor, moves alongside the rack to collect the clothes and take them to the hole in the wait.

the hole in the wall.

Since the counter need not be manned, the system lakes up less space than a shop and could be placed, for example, in a hotel lobby. It can operate 24 hours a day. The mechanical

It can operate 24 hours a day.
The mechanical
engineering in the system
has been kept to a minimum.
Most of the intelligence and
flexibility is vested in the
microcomputer.

New publishing

HEWLETT-Packard, of the US, is offering software which allows information to be published on and retrieved from the CD-ROM (compact disc read-only memory). Called LaserRETRIEVE, the

software runs on an HP
Vectra personal computer.
The system arranges and
Indexes data for recording
on nine-track magnetic tape.
The tape is then sent to a
CD-ROM mastering and
replication facility where the
4.7 Inch optical discs are
manufactured in bulk.

manufactured in bulk.

The discs are despatched with software that permits easy access — 200,000 page can be kept on one disc.

Guidance on design for IT

LONDON management consultants Butler Cox and Partners is drawing up a set of guidelines on technology (II) on office design.

hope that other drugs will

The work has been commissioned by International Business Muchines, Digital Equipment Company, British Telecom and American Telephone and Telephone, They was distribute the booket.

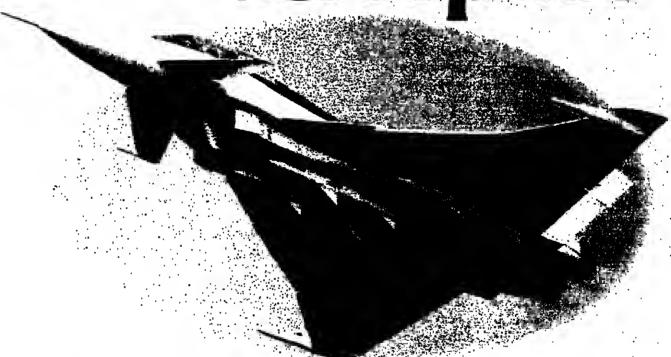
the booklet.
Roger Camrass, director
of consultancy at Butler Cox,
says: "The City of London
is littered with buildings that
after 20 years of life are to
be demolished because of
poor design and inadequate
provision for IT."

He points out that five years ago only about 10 per cent of office workers had screens and keyboards. In large City-based companies, the figure has reached 50 per cent and is likely to exceed 90 per cent by 1992.

Many of the problems concern the provision of computing and and telecome services to individuals' designed, in particular, the associated cabling, in the absence of standards and with the idea of the single, high bandwidth cable to carry all services still in its early days, proper provision for multi-cable systems, at minimum cost, is important.

CONTACTS: Hinchley Automation: UK, 0276 51482. Hewlett-Packard: UK office, 0734 695622. Butler Cox: London

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For further information about Cooksoo, please write to: Corporate Relations Department, Cookson Group pic, 14 Gresham Street, London EC2V 7AT.

POSTAL DISPUTE BANK OF ENGLAND WARRANTS

Interest and Redemption Monies

Holders of stock on the Bank's register are advised that, in consequence of the postal dispute, warrants are not at present being despatched.

The following emergency measures will apply:
1 Warrants may be collected by payees from the Bank of England, Registrar's Department, New Change, London, EC4M 9AA.

Alternatively, payees may arrange for third parties to collect warrants from the above address against production of the payee's written authority; the latter should specify the stock title, the capital amount of the hoking and the full names of the registered holder(s), plus the stock account reference number if known.

2 Upon request, arrangements may be made for warrants to be available for collection from the Bank of England's Branches at Birmingham, Bristol, Leeds, Manchester and Newcastle, and at the Bank's Agencies in Glasgow,

Liverpool and Winchester.

All telephone enquiries regarding the above announcement should be directed to the Bank of England, Registrar's Department, on

01-601 4444

AB Electronics

The quiet way to put quality first

Anthony Moreton on the strategy of the Welsh subcontractor

courage to take on the Japanese in their homeland, least of all in electronics, but Peter Phillips says: "We would like to see ourselves as a growing player in

Japan."
"We" is the AB Electronic Products Group, a company that prefers to shelter behind anonymity that comes from being a subcontractor rather than seek the wider prominence that comes from having retail prodocts with famous trade names.

AB Electronics, a company firmly established in the Rhondda valley, one of the most industrial parts of south Wales, is a world leader in the assembly of electronic systems and equipment using surface. and equipment using surfacemount (SMT) and conventional technology. It is the second largest supplier of SMT boards to IBM (America's SCI is the

largest), for instance. Having established its bona fides in Europe and North America - among its main customers are Olivetti-Acorn, Mercedes. General Motors, Ford, British Telecom and Boeing - it is now looking to

Japan.
"It will take time," says Phillips, chairman since the beginning of last year. But we have traded with Japanese companies like Brother in Europe for years and met their standards so we think we can meet them in Japan, too."
To pursue this course, AB

has formed a company called AB Japan with a trading house

in Tokyo.

Phillips is careful not to exaggerate the move. AB Japan wili look for opportunities to sell to the Japanese as well as buy components for its own products from them, especially automotive electronics. AB Japan is small - but signifi-

Such caution is typical of the way AB Electronics moves.
"First, you have to get your quality right," says Edwin Merrette, its managing director.
"We have certainly done that.
Our quality is as good as anything the Japanese or Germans can achieve. Then you have to

ot many British com-panies have the on top of that, too. That is why we have the ability to chal-lenge the Japanese in their

own market."

All this is a long way, both in time and product, from AB's beginnings. It started life in central London in the mid-1930s, moved to Feltham just before the outbreak of war in 1939 and on to Wales in 1950 when its premises were pulled down to allow for the expansion of Heathrow airport.

At that time, employing a lit-tle over 100 people compared with its present workforce of more than 5,500 internationally, it was turning out parts for radios and televisions.

That it moved out of this area was due to the foresight of Henry Kroch, who only retired as executive chairman last year. Kroch rose to the top in



the late 1950s and quickly realised that a company producing goods subject to the whim of government policy would never have a stable future.

At that time it was common ractice for Chancellors of the Exchequer to regulate over-heating in the economy through credit controls and tax changes on consumer goods.

Such arbitrary changes, he reasoned, were no basis on which to build a hig company and so he masterminded the change of strategy which turned AB Electronics from a minor electrical components supplier into a major player in the contract assembly market. Last year, SMT and other assemblies contributed £77m towards turnover and a further £41m came from the design and manufacture of connectors, electro-mechanical components and printed circuit

boards for others. Bringing the company to

this point has not been without its hazards. Three years ago it was caught by the collapse of was caught by the collapse of the home personal computer market and in particular by that of Acorn, which was sub-sequently baled out by Olivetti. Turnover, which had jumped rapidly from £39m in 1983 to £122m two years later, only crept up to £130m in 1986. Pretax profit fell by £1.6m to £4m in 1985 as the company wrote

off £4.7m as a direct consequence of Acorn's troubles.

The decision to move into The decision to move into printed board assemblies in the early 1980s, however, helped sustain the forward momentum. That and and its reputation for quality and reliability—and the IBM contract.

The name IBM in AB's Aber-

cynon headquarters is spoken in hushed tones. The company is sensitive about its relationship with the American giant, finding itself caught in a cleft stick, it says little about IBM simply because the US company prefers it that way. This leaves AB vulnerable to accusations on the stock market that it is over-reliant on one

In practice, IBM has a policy of spreading its buying power to minimise the possibility of ing held to ransom by any one supplier. It will not take more than a fixed percentage of a supplier's turnover. The only way AB Electronics can get more orders from the Americans is to boost its own

That looks to be well within its grasp. Last year's turnover should be comfortably exceeded this year, according to some analysis, and when figures for the 12 months to June 30 are released later this month they could show sales around £200m. More important, margins are expected to show a dramatic improvement: the market is expecting pre-tax profit to come out at about £15m, almost double last year's

The increase has been helped in no small way by work on contracts such as that for Jaguar, with which AB since the late 1970s.

AB has a picture of the driv-



Peter Phillips (left) and Edwin Merrette: challenging the Japanese in their own market

ing seat of the ultra-modern XJ6 in the entrance hall of its antomotive products group headquarters on the outskirts of Cardiff. Red arrows indicate the parts AB makes. There are around 20 on the Daimler model, including the controls for air conditioning, and the

These are just the visible tip of what AB makes. Out of of what AB makes. Out of sight, the company supplies as many again, including the micro-processor unit which is the main hub of the car's electronics and the lamp-monitor-ing units which tell the driver when the bulbs are approach-

ing the end of their useful life.
Derek Embrey, AB's technical director, says the motor company "was in a mess" when it first approached AB at the end of the 1970s. The series 3 model was very old and the company wanted new electrics for a new model. "We at that time were looking at ways of saving weight on cables and in electrical systems. There are probably about 3 miles of cable in a car like a Jaguar and its weight is enormous. The looms and harnesses alone weigh

around 450lbs.
"To reduce the weight meant, in effect, reducing the number of wires. To get the number of wires. To get the number of wires down we had to develop a low-current switching system. The result of this new system is that the weight of the wiring has been reduced by about 250lbs and we have added 3mpg to the car's performance." car's performance."

The company is a fairly recent entrant into the competitive motor business but the division already accounts for 14 per cent of the company's nies and private communica-£171.6m turnover. It has cap-tured a "sizeable proportion" of the British market for body tered housing. and assembly electronics, according to Paul Ryder, managing director of the auto divi-

ion. But if the auto group is motoring well, like components and electronic assemblies, Phillips is less happy about the other two divisions — telecom-munications, and aerospace and defence. These two contributed 212m and 217m respectively to turnover last year and so are not big players. Even so he admits to being disappointed at the difficulties they

"Aerospace and defence have been disappointing because the defence industry is going through a difficult time. But both this sector and telecom-munications are areas that tend to be solid and reliable, bring us into contact with important customers like Boe-ing and, most important, bring a balance to the group's busi-

ness," says Phillips.
What Phillips now wants is to expand to the point where each of the divisions has a sig-nificant share of its own market. "We want to demonstrate to each particular market that we are serious players in it. That is most important in our

A second plank in his management programme is to develop AB's own products and technologies. Often, he agrees, these will be customer specific. Much of the work in this area will be done by Embrey's team; it is already working on secu-rity systems for public compaof the laboratory Peter Marsh explains Dupont's formula

Moving ideas out

here is no formula. You have to be flexible. That is the way Richard Quisenberry, director of corporate research at Du Pont, the US's laboratories people whighest chemicals company. biggest chemicals company, approaches the task of getting ideas out from his laboratories as out from his laboratories

into the commercial arena.

Determining the best methods for facilitating this transfer is more a management problem than a scientific one and is lem than a scientific one and is a preoccupation in much of technology-based industry. Quisenberry, a large and relaxed man who has worked for Du Pont for 28 years in a variety of disciplines, reckons there is no single answer. Quisenberry has been in his

present job since 1984 and over-sees 800 scientists and engineers in Du Pont's central neers in Du Pont's central research and development laboratories on a leafy campus near Philadelphia. He has an annual budget of \$160m, which is roughly 12 per cent of DuPont's total yearly research spending. The remainder is spent on application-oriented work taking place in the com-

The future will inevitably

take the company into the US since this is where a lot of the

company's business is. Phillips admits he "wanted to buy an

American company to fit in

with Page Aerospace", a recent deal. "We looked at a couple

but we have not found the sort

yet that fits well with us."

Any acquisition will have to
be what he describes as

"bolt-on" concerns. "AB will definitely not go into a totally new field. We are not a con-

glomerate. Any additional con-

cern must be complementary

to our operations in some

Way."
He cites the acquisition of Plessey Connectors, since renamed AB Connectors, last

September. "We are in the con-nector market but we were rel-

atively small in it. We had

either to become much larger or get out. So we bought in to become bigger. We are now the

secome bigger. We are now the second largest circular connector manufacturer in the UK."
Funding deals is not a serious problem. The increasing profitability is helping reduce the present gearing (shown at 32 per cent in the last halance sheet but certainly lower than

sheet but certainly lower than that now) and AB could make

that now) and AB could make more takeovers without going back to the market "provided it were not too big."

Phillips thinks this is a reasonably happy situation to be in. Others might think him erring on the cautious side, but

he admits to being unwilling to

shout his own wares too

loudly.

spent on application-oriented work taking place in the company's various commercial departments in areas such as drugs, petrochemicals and medical equipment.

The scientific staff at Quisenberry's laboratory, of whom about half are chemists with the rest largely physicists and biologists, share the campus with 1,000 other researchers who come under the control of who come under the control of

the business divisions.
Out of this sea of activity
come plenty of ideas, some of
which appeal to the commercial people — in which case
further development takes further development takes place under the wing of the relevant operating arm of the company. In this way, for example, an invention in resins would generally be taken on by scientists, production engineers and marketing people from one of Du Pont's departments dealing with plastics.

Sometimes no one from Du Pont's business groups is interested in the novel thoughts from the research centre, in which case, under Quisen-

which case, under Quisen-berry's direction, people from his laboratory can go ahead and commercialise the ideas themselves. This appears almost an anarchic strategy which could easily encourage an "everyone for himself" approach to innovation. Quis-enberry insists, however, that the policy has led to some

Under the strategy, the research group with the novel idea invites into the central laboratories people with the relevant marketing and engineering expertise. They then work on the innovation, perhaps setting up a pilot production plant, before finding an orthodox commercial outlet in the shape either of another part of Du Pont or an outside organisation which takes out a manufacturing or sales licence. This is how Corian, a novel type of acrylic which can be shaped into sinks and other consumer items, was brought consumer items, was brought to the production stage before being taken on by an operating

division of Du Pont. Still inside the central labo-ratory and awaiting an external commercial partner is a new type of medical technique, called depletion therapy, for treating patients with illnesses associated with viral infections and other disorders of the immune system. The method is being tried out in hospitals around the world.

In another venture, the cor-porate researchers are working with De Puy, a US maker of medical implants, in a project based around a novel elasto-mer which can be used for arti-

ficial hips.

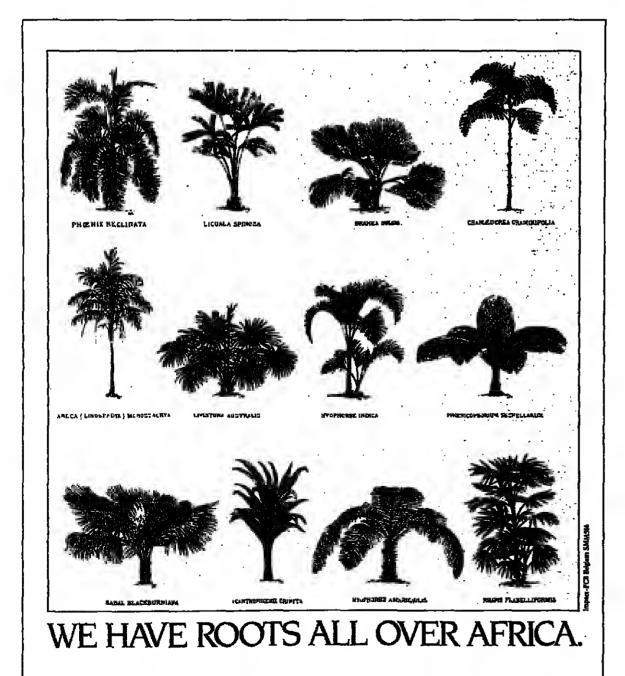
Next in line for the Quisenberry treatment could be superconductivity - work in developing new materials which have zero electrical resistance under close to nor-mal conditions rather than at the extremely low temperatures normally associated with this phenomenon. By the end of the year Quisenberry hopes to open a small "concept cen-tre" for superconductivity research where teams of research staff from different parts of the company can work together. Such co-operation would supplement the promis-ing work already being done at the central laboratory by a 30-strong group of chemists and technical people.

The most important manage-

** ***

A 41 - A4 - -

rial aspect to all this activity, believes Quisenberry, is the need to encourage the coming together of men and women from different scientific and commercial backgrounds. "Research and development has always been a lonely activity. As the science gets more complicated, interdisciplinary teamwork becomes essential.



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flights weekly to 27 cities, Sabena is the leading airline serving Africa.

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Report for the six months ended 30th June 88 COWAT

Profits up 76% E.P.S. up 54%

FROM THE CHAIRMAN'S STATEMENT

■ 44% of eligible employees in the UK decided to participate in a savings related share option

 Printing and packaging activities continue to make good progress.

■ Progress made by the Rexham group which was acquired in November 1987. ■ The Builders' Merchants division enjoyed

buoyant market conditions.

■ Building Products continues to improve.

Activity levels are good and with improving margins the outlook for 1988 is encouraging.

FINANCIAL HIGHLIGHTS Six months to 30th June Increase £m +25.3 Pre-Tax Profit 30.5 +76.3 Earnings per share 17.9p +54.3 Dividend per share +33,3

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March, 1988

MoDo

Mo och Domsjö AB

U.S. \$200,000,000

Multicurrency Revolving Credit Facility

Bankers Trust International Limited

Svenska Handelsbanken PLC

Banque Nationale de Paris Sverige

National Westminster Bank PLC

Svenska Handelsbanken Group

Kansallis Banking Group

Bankers Trust International Limited

Deutsche Bank Luxembourg S.A. The Mitsubishi Bank, Limited

Skopbank

Swedbank (Sparbankernas Bank)

Algemene Bank Nederland (Sverige) AB Société Générale

PKbanken '

Credit Suisse

Bankers Trust Company Deutsche Bank Luxembourg S.A.

The Mitsubishi Bank, Limited Swedbank (Spachankernas Bank)

Banque Internationale à Luxembourg The Chase Manhattan Bank, N.A. Istituto Bancario San Paolo di Torino Funds provided by

Swiss Bank Corporation Bergen Bank International S.A. Crédit Industriel et Commercial de Paris



Svenska Handelsbanken

These Securities having been sold, this announcement appears as a matter of record only.

New Issue



Scotia Mortgage Corporation

A wholly owned subsidiary of The Bank of Nova Scotia (A Canadian Loan Company)

Unconditionally and irrevocably guaranteed by

THE BANK OF NOVA SCOTIA (A Canadian Chartered Bank)

Can. \$100,000,000

10%% Medium Term Guaranteed Notes due 1993

Issue Price: 1011/2%

ScotiaMcLeod Inc.

Swiss Cantobank Securities Limited

Generale Bank

Banque Bruxelles Lambert S.A.

Algemene Bank Nederland N.V.

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Dresdner Bank Aktiengesellschaft

Banque Générale du Luxembourg S.A.

Norddeutsche Landesbank Girozentrale

BNP Capital Markets Limited

Sanwa International Limited

July 1988

NOTICE TO THE HOLDERS OF

BANK OF TOKYO (CURAÇÃO) HOLDING N.V.

U.S. \$100,000,000 Guaranteed Floating Rate Notes Due 1991 (the "Notes")

(the "Notes")

NOTICE IS HEREBY GIVEN, that in accordance with Condition 5(c) of the Notes, the Company will, at the option of the holder of the Notes, redeem on December 14, 1988 (the next Interest Payment Date) the Notes at the principal amount thereof.

In order to exercise such option, the holder must deposit the Notes with The Rank of Tokyo Trust Company in New York City as Fiscal Agent or at the principal office in the city indicated below of any of the following Paying Agents: The Hank of Tokyo, Ltd. in Brussels, Hengkong, London, Milan, Paris and Singapore; The Bank of Thiyo (Helland) N.V. in Amsterdam; Hank of Tokyo (Deutschland) A.G. in Frankfurt/Main; The Bank of Tokyo (Switzerland) Ltd. in Zurich: during the period commencing on and including October 17, 1988 and ending to and including October 28, 1988. The Notes, if so deposited, may not be withdrawn without prior consent of the Company.

BANK OF TOKYO (CURAÇÃO)
HOLDING N.Y.
BY THE BANK OF TOKYO
TRUST COMPANY
as Fiscal Apost

Dated: September 7, 1988

Swiss Bank Corporation

Banque Nationale de Paris Sverige

Kansallis Banking Group

The Royal Bank of Canada



NOTICE OF REDEMPTION

Manufacturers Hanover Limited

Commerzbank Aktiengesellschaft

ASLK-CGER Bank

CERA - Spaarbank

Morgan Stanley International

Banque Internationale à Luxembourg S.A.

Union Bank of Switzerland (Securities) Limited

Banque de Luxembourg S.A., Luxembourg

Shearson Lehman Hutton International

To the Holders of

U.S. \$2,500,000,000

UNITED KINGDOM

Floating Rate Notes Due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the terms and conditions (the "Conditions") of the above-described Notes (the "Notes"), the Lords Commissioners of Her Majesty's Treasury on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland have elected to and will redeem on 7th October, 1988 (the "Redemption Date") all outstanding Notes at the redemption price of 100% of the principal amount thereof. Interest due on the Notes on 7th October, 1988 will be paid in the usual manner.

Bearer Notes will be redeemed upon presentation and surrender with all Coupons appertaining thereto maturing after (but not on) the Redemption Date, at the option of the holder, either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York, 10015 or (b) at the main offices of Morgan Guaranty Trust Company of New York to London and Brussels, Swiss Bank Corporation to Basle or Krediethank S.A. Luxembourgeoise in Luxembourg. Coupoos due on 7th October, 1988 should be detached from the Bearer Notes and surrendered for payment at any of the offices specified above other than the paying agent in the United States in accordance with the Conditions.

Registered Notes will be redeemed upon prescotation and surrender thereof, at the option of the bolder, either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York specified above or (h) at the main offices of Morgan Guaranty Trust Company of New York in London and Brussels. Interest due on 7th October, 1988 on the Registered Notes will be paid in accordance with the Conditions.

On and after 7th October, 1988 interest will cease to accrue on the Notes and unmatured

On and after 7th October, 1988 interest will cease to accrue on the Notes and unmatured Coupons shall become void.

The Notes (whether in bearer or registered form) and all matured Coupons will become void unless presented for payment within periods of 12 years and six years, respectively, from the due date for payment thereof.

THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY

Dated: 7th September, 1988

Any payment made within the United States or by transfer to an account maintained by a non-U.S. payee with a bank in the United States may be subject to reporting to the United States Internal Reveoue Service ("IRS") and to backup withholding at a rate of 20% if a payee not recognized as an exempt recipient fails to provide the paying ageot with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a Uoited States person. A payment made within the United States to a non-exempt U.S. payee is reportable to the IRS and that U.S. payee is required to provide to the paying ageot an executed IRS Form W-9, certifying under penalties of perjury, the payee's taxpayer identification number (employer identification number or social security number, as appropriate) to avoid 20% withholding of the payment. Failure to provide a correct taxpayer identification number may also subject a U.S. payee to a penalty of \$50.

July 1968

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from

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We initiated this transaction, assisted in the negotiations and acted as financial advisor to Huhtamaki Oy

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London New York Zurich

We are pleased to announce that

Judson P. Reis

has joined our firm as **Executive Vice President**

and

Managing Director of Investment Banking

Kleinwort Benson Incorporated

(Thur) (42901516).

Weshington

(Thur) (42301516).
Prestige de la Trompette with
Maurice Andre, his riends and
Ensemble Orchestral de Paris
conducted by Philippe Bender:
Torelli, Bartok, Telemann, Bech,
Stockel, Salle Playel (Thur) (456

National Symptony (Kamedy Center Concert Hall): Matislav

Rostropovich conducting. Been-stein, Haydn, Brahms (Thur).

Paul Crossley (piano). Debussy, etc. Shows Women's University Green Hall, near Sanganiaya (Mon) (785 4488)
Traditional Japanese Music.
Kameyama Kono (koto). ABC.
Hall (Wed) (400 2806)
Traditional Japanese Music.
Drums from Hokkaido and Toyama. National Theatre (Wed.

Arts Week FI S|Su| M |Tu| W|Th 9 10 11 12 13 14 15

THEATRE

Easy Virtue (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever, lesser viniage than riay rever, but worth seeing (379 6107). South Pacific (Prince of Wales). Average, traditional revival of the great Rodgers and Hammerstein musical, with Gemma Craven failing to wash the baritonal Emile Belcourt out of her hair tees exert.

(839 5989). The Phantom of the Opera (Her Mejesty's). Spectacular, emotion-ally nourishing new musical by Andrew Lloyd Webber (839 2244, credit cards 379 6131/240 7200). Follies (Shaftesbury). Eartha Kitt and Milliceat Martin now decorate Mike Ockrent's strong revival of Sondheim's 1971 musi-cal, in which poisoned marriages nearly undermina an old bursque reunion in a doomed thealeague retinion in a tromes the street (379 5399).

Hapgood (Aldwych). New Tom Stoppard mixes espionage, romance and higher physics.

Felicity Kendal is the eponymous intelligence agent, Roger Rees and Nigel Hawthorne in elegant support (836 6404, credit cards 379 6233).

Amsterdam

Importance of Being Earnest (Stadsschouwburg). The Berlin Play Actors with Oscar Wilde's play, directed by Rik Maverik (Fri to Sun) (24 23 22).

Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262). Les Misérables (Broadway). The

magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway ons in pageantry and drama (239 6200). M. Butterfly (Eugene O'Neill).

The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French diplomat whose long-time mistress was a male Chinese spy (246 0220). Speed-the-Plow (Royale). David Mamet applies his biting sarcasm and ear for the exaggerations of American language to Hollyof American language to Holly-wood, in this screamingly funny and well-plotted expose of the film industry (239 6200). Stranger Here Myself (Public). Angelina Roux performs two decades of Kurt Weill's songs in s one-woman show covering the composer's careers in Berlin, Perio and New York (598-7100).

Paris and New York (598-7100).

Washington

Les Misérables (Kennedy Center Opera House). The touring com-pany of the international hit of last season brings to Washington the historical sweep of Victor Hugo, set to music and an insis-tent contemporary beat. Ends Oct 15 (354 3770). Sleuth (Eisenhower). Stacy Keach and Maxwell Caulfield star in the mystery pitting a writer against a mild-manner travel agent who's stolen his

wife's affections (254 3679). Tokyo

Kabuki (Kabuki-za). The morning programme, at 11am, includes Kago Tsurube, with Living National Treasure, Utae-mon, in one of his most famous who gulls a country bumpkin.

passengers happy."

This is an authentic passenger statement.

In the afternoon, at 4.30pm, the programme includes II Tairo, a "new kabuki play" set in the 19th century at the time of Japan's opening to the West, as well as one of the most famous works in the kabuki repnamous works in the Andust rep-ertoire, Kanjincho (The Subscrip-tion List), in which a wily ser-vant outwits his master's pursuers (541 3131). Opera-za no Kaijin (The Phan-

Opera-za no Kaijin (The Phantom of the Opera), Nissei Theatre. Japan's leading musical company, Shiki, acquits itself well in what is a virtual carbon-copy of the London original. The Japanese translation is often awkward, but Andrew Lloyd-Webber's gift for musical pastiche, Harold Prince's romantically evocative staging and Maria. Bjornson's stunning sets and costumes make for an enjoyable evening whether you understand the words or not. Ends September 20 (503 3111).

the words or not. Ends September 20 (503 3111).
Nok (National Noh Theatre).
A double bill consisting of the sacred ritual Okina (old man), on which all noh is said to be based, and a true nob play,
Tenko. Japan's most esoteric art form is not to everyone's taste, but should be experience at least once by everyone who at least once by everyone who wants to discover why Japan will never become a 'Western' nation. (Most other Noh theatre are open only at weekends; check local press for details) (423 1331). Bunraku (National Theatre). The bunraku puppet theatre is one of Japan's most refined art forms. Each doll has three operators who remain in sight of the audience throughout the performance, while a parrator at the mance, while a harrator at the side of the stage unfolds the story to musical accompanimer This month's performance fea-tures Firagana Seisuiki, a play written in the Fidaimono (class cal) style in 1789. The two surviv-ing acts have no connection with

each other and are performed at 12 noon and 5.30pm. Earphone commentary in English (265

"It was the attitude which kept the

MUSIC

London Wigmore Hall. Haydn Festival. Andras Schiff (plano), Yuko Shio-hawa (violin), Steven Isserlis (cello), Takacs Quartet (Fri, Sat) (985 2141). Halle Orchestra conducted by

Hatle Grenestra contacted by Stanislay Skrowczewski, with James Morris (baritone). Schu-mann, Wagner, Brucknet. Royal Albert Hall (Fri) (589 8212). BBC Symphony Orchestra con-ducted by Gunter Wand. Mozart, Tabaticanter, Boyal Albert Hall Tchaikovsky. Royal Albert Hali (Sat) (588 8212). London Symphony Orchestra conducted by Michael Tilson Thomas, with Jorge Bolet (piano). Margaret Price (soprano), Jard Van Nes (mez-zo-coprano), Siegfried Jerusalem (tenor). Beethoven, Weber, Mah-ler. Royal Albert Hall (Sun) (589 8212). sky. Royal Albert Hali

8212). Scottish National Orchestra con-Scottish National Consists Authority Syden Thomson, with Christian Blackshaw (plano). Tehaikovsky, Liszt, Prokofiev. Royal Albert Hall (Mon) (589

S212).
Scottish Chamber Orchestra conducted by Sir Peter Maxwell
Davies, with Robin Miller (oboe).
Haydn, Maxwell Davies, Beethoven. Royal Albert Hall (Tues) (589 8212). BBC Symphony Orchestra con-

OPERA AND BALLET

London Royal Opera, Covent Garden.
The season opens with Andrei
Serban's savagely exotic and
fascinating production of Turandot. Gwyneth Jones, Cynthia
Haymon and Franco Bonisolii
the beat the leading roles and return to the leading roles, and Edward Downes conducts (240 1068: 240 1911). lose, 240 1911). English National Opera, Coli-seum. First new production of the ENO season is David Pount-

the ENO season is bavin Fount-ney's radical staging of La Tra-vista. Mark Elder conducts and Helen Field, Arthur Davies and Alan Opic are the principals.

Jessye Norman (soprano). Mah-ier, Berg, Webern, Bartok. Royal Albert Hall (Wed) (589 8212). Royal Philharmonic Orchestra conducted by Yondani Butt, with Kathryn Stott (plano). Barbican Hall (Wed) (638 8891). London Symphony Orchestra conducted by Michael Tilson Thomas, with Anna Steiger (soprano). Oliver Knussen, Robin Holloway, Mahler Barbican Hall

ducted by Pierre Boulez, with

Pompeli

(Thurs) (638 8891).

Tentro Grande (Panatenee Pontrearro Grande (Panatenes Fom-peiane). The Bayerisches Staator-chester conducted by Wolfgang Sawallisch playing Richard Strauss (Fri). Box office Rome

666.41.26. Todi Festival (Sala del Chiostro). A look at 20th century music: Benjamin Britten's Simple Symthony, and works by Barber, Dvorzak, Rodrigo and Srebotnjak played by the Nuova Camerata tale (Sun) (88.36.11).

Settimane Musicali (Lake Mag-giore), Palazzo Borromeo (Isola Bella): Guitar recital by Altrio Diaz, Scariatti, Bach, Ponce, Torroba (Fri) (31.095). Tentro del Palazzo del Congressi Uto Ughi (violin) and Martha

Pountney's ugly, coarse grained modern-dress Carmen sports at least a fine cast (including. at least a line cast (including).
Jean Rigby, Jacque Trussel and
Sergey Leiferkus) and conductor
(Yan Pascal Torteller). The limply staged wartime in-Mussolim's-listy Tosca production by
Jonathan Miller has the vivid

nice Cairns in the title Edmund Barham, and Malcolm Donnelly (836 8161). Sadler's Wells. The Cumbre Fig. menco troupe from Spain, until

Sept 17.
Queen Elizabeth Hall. Opera
Factory production of Cost Fan
Factory producted by Paul Damiel Tutte conducted by Paul Da (Sat, Mon. Wed) (928 3191).

Argerich (piano). Schumann, Beethoven and Prokofiev (Sun). Quartetto Fidelio. Fauré, Richard Strauss (Mon). (31.095).

ORF (Austrian Radio and Television Orchestra), conducted by Ulf hirmer with Laios Lences (oboe). Zimmermann, Stravinsky. ORF (Fri) (5000), ext 831). Royal Philharmonic Orchestra conducted by Erich Leinsdorf. conducted by Erich Lemsdor.
Brahms, Johann Strauss, Dw.
rak. Konzerthaus (Sat) (721211).
Haydn Sinfonietta, conducted
by Manfred Huss and Kodaly
Choir from Debrecen, Hungary,
conductor Kalman Strausz, with
Centrand Schoold (comment) conductor Raman Statuss; we Gertrand Schmid (soprano). Harms Fahlbusch-Wald (mezzos prano), Andras Molnar (tenor), Peter Koeves (bass). Beethoven (Missa Solemnis). Votivkirche Missa Sussemily (Mon, Thurs)
Sinfomietta, conducted Hayda Sinfonietta, (by Manfred Huss. Be

ofburg (Tues, Thurs)

Berlin

Berlin Philharmonic Orchestra (Philharmonie). Conducted by Carlo Maria Giulini, with Barbara Bonney (soprano), Andreas Schmidt (baritone) and the Ernst-Senff Choir. Brahms's Ger-man Requiem (Sat, Sun). Con-ducted by Sir Georg Solti, Bartok

Opéra. Verdi's Rigoletto, conducted by Alain Lombard/Alain. Guingal, returns to the Palais Garnier after 18 years' absence with Neil Shicoff/Taro Ichihara as the Duke of Mantua, Alain Fondary/Manuguerra as Rigo-letto and Alida Ferrarini/Christine Barbaux as Gilda (474 25750).

State Opera. In repertory: Tosca, conducted by Anton Guadagno, with Mara Zampieri, Giuliano Cannella, Silvano Carolli, Robert Kerns. Cavalleria Rusticana, conducted by Adam Fischer, with Margarita Lilowa, Robangiz Yachmi, Peter Dvorsky and Silvanos. Il Barbiere di Siviglia, conducted by Ion Marin, with conducted by Ion Marin, with Frederica von Stade, Majorie Vance, Robert Gambill and Alex-ander Maly. Cosi Fan Tutte, con-ducted by Christian Thielemann with Margaret Marshall, Margar-ita Hintermeier, Olivera Milja-kovic. An evening with Jose Carreras (Fri).(51444, ext 2660) Volksoper. In repertory: d'Al-bert's Tiefland, conducted by Konrad Leitner, Ein Walzer-traum (Oscar Straus), conducted by Rudolf Bibl; Die Fleidermaus, conducted by Konrad Leitner, Der Fremdenfuhrer (Ziehrer), conducted by Rudolf Bibl; La Bohème, conducted by Ernst Maerzendorfer, My Fair Lady; and Hoffmanns Erzählungen-conducted by Konrad Leitner

(51444, ext 2662).

Vicenza Teatro Olimpico (Vicenza Festival). Gluck's Paride ed Elena in Walter Pagliaro's production, designed by Pasquale Grossi and conducted by Alan Curtis (Fri, Sun, Tues) (54.61.11).

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EXHIBITIONS ... La No. Hans der Kunst, 60 Prinzre 2001 Paris Bullen unter Margen un bart. Carte Musées et Monuments, sold in museums and Metro sta-tions, enables visitors to avoid queues at 60 museums and mon-uments, including the Louvre, Musée d'Orsay and Versailles

Paisce.
Centre Georges Pompidou. The
Fifties, taking over Beaubourg
for three months from the ground floor upwards. The postwar creative dynamism of the Fifties is represented by cars, comics, music, cinema, litera-ture, industrial creation and — on the fifth floor — by visual

arts. The great figures of Matisse and Picasso open the exhibition with works in black and white; monochromes by Yves Klein ar Montana close it. (42.77.12.33). Closed Tue. Ends Oct 17.

Institut du Monde Arabe. Holy Places in Saudi Arabia. Magnifi-cent architectural models of the brocade veil with verses from hrocade veil with verses from the Koran embroidered in gold, and of the Prophet's great mosque in Medina, provide non-Moslems with a realistic image of the shrines of Islamic pilgrim-age, to which they normally have no access. Manuscripts, works by the traveiller Richard Burton and 17th century Turkish ceramand 17th century Turkish ceramics complete the exhibition. 23
Quai Saint-Bernard (46.34.25.25). 1 pm till 8 pm, closed Mon. Ends Sept 18.

Musée d'Orsay. The spectacular museum of the 19th century is situated opposite the Tuileries Gardens within the metallic structure and the glass-roofed vault of the vast Belle Epoque railway station. It houses paint-ings, sculptures, objets d'art and photographs from the end of the romantic period to the begin-nings of modern art and the Impressionists and post-Impres-sionists collections formerly in aromats contections formerly in the Jeu de Paume. Here they are counterbalanced by academic painters, their contemporaries, long derided for their pomposity. 1 Rue Bellechasse (45.49.48.14). Closed Monday.

Picaso Museum. The 17th century Hotel Sale, sumptuously restored, provides a fitting home for the world's largest collection of Picasso's work. It comprises 203 paintings, 158 sculptures and more than 3,000 drawings and engravings, 16 collages and 88 pieces of ceramics, It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired. Renoir. by artists he admired, Renoir, Cézonne, Douanier and Rous Cazanne, Douannar and Rous-sean. 5 Rue Thorgny (42.71.24.21). Closed Tuesdays. Musée de Cluny. Medieval art in Paris. The abbots of Cluny built their magnificent late Gothic town house in the heart of the Latin Quarter on the of the Latin Quarter on the hlackened ruins of Roman baths. Now a museum, it houses medieval works of art — goldsmiths' work, carved altar pieces, ivories, fabrics, with two English royal standards embroidered in gold on red velvet. In a rounda of its own is a set of the Lady and the Unicorn mille fleurs tapes-tries — an allegory of the five senses, one of the masterpleces of mediavel art. Place Paul-Painleve, Métro Odéon (432 56200). Closed Tuesdays and lunchtim

and Beethoven (Wed, Thur). Alfred Brendel (Philharmonie). Piano recital: Mozart, Brahms, Beethoven and Liszt (Tues).

Concertgebouw, Riccardo Chailly conducting the Concertgebouw Orchestra, with Rafael Oleg, vio-im: Wagner, Saint-Seens, Tchai-kovsky (Thur) (718 345).

Rotterdam Doelen. James Conion conducting the Rotterdam Philharmonic, with Nobulco Imai, viola. Bartok

(Thur) (413 2490).

Soloists of Orchestre National de France play Hindernith, Dul-lapiccola, Ohana, Messiaen.

Ispiccola, Ohana, messanda Radio France, Studio 106 (Mon)(42301516). Soloista of Knaemble Intercon 14th Piarre-Laure temporian, with Pierre-Laurent Aimard, piano: Dutilleuz, Boulez Ameru, mano: Dutilleter, Boule Centre Georges Pompidou (Thurs) (427 71283, ext. 4810). Orchestre National de France conducted by Dennis Russel-Da-vies, Jean-Claude Pennetier, piane Straues. piano: Strauss, Stravinsky, Kenakis, Ligeti, Messiaen, Theatre des Champs Elysées

Teatro Grande. Ronald Adler's production of Richard Strauss's Elektra, conducted by Wolfgang Sawallisch, with Hildegard Behrens, Sabine Hass, Christa Ludwig, Hans Heinrich Rootering

and Fritz Uhl (Sat) (Rome 656

Muziektheater. Ron Bunzi's "hal-let event" Mise en-Cadre danced by the Cloud Chamber company

by the Cloud Chamber company and directed by the creator, with music by Jose-Luis Greco (Mon. Tue. Thur). The Netherlands Opera production of Bluebeard's Castle by Bartok, with Henk Smit as Bluebeard and Kathrine Clesindki as Judith. The production is directed by Herbert Wernicke, with the Netherlands Philharmonic under Hartmut Haenchen (Wed) (255 455).

Haenchen (Wed) (255 455). Stadschouwburg. The National Ballet, with the Schonberg

Ensemble under Reinbert de Leeuw, presents the premières of a new ballet by Jan Linkens to music by Janacek, and Glem Manen's Five Tangos (Tue, Wed)

Denische Oper, Zar und Zimmermann is a well done repertoire performance, Aida has a strong cast-led by Bruna Baglioni, Julia Varady, Giorgio Lamberti and Ingvar Wixeli. Lulu in Götz Friedrich's production features

Patricia Wise in the title role. Emily Golden, David Griffith and Gunter Reich. Elektra stars

Ruth Hesse, Ute Vinzing and Gerd Feldhoff, Rigoletto, pro-

duced by Hans Neventels, will be conducted by Silvio Varviso

Drums from Hokkaido and Toy-ama. National Theatre (Wed, Thurs) (265 7411) NHK Symphony Orchestra con-ducted by Esa-Pekka Salonen. Stravinsky, NHK Hall, Shibuya (Wed, Thurs) (465 1781) Yomimi Symphony Orchestra conducted by Gennady Rozhdest-vensky. Tchaikovosky. Suntory Hall (Wed) (270 6191) y-Meissner and Dimiter Petkov.

rounds off the week. Mamburg

Stantsoper. Der fliegende Hol-länder has fine interpretations by Jose van Dam in the title role, Elizabeth Connell as Senta, Kurt Moll as Daland and Richard Versalle as Erik. Die verkaufte Braut brings Linds Plech, Kurt Strett-mayer and Kurt Moll together. A ballet choreographed by John Neumeter will be danced to music by Mahler.

Opera. Graham Vick's successful production of Don Pasquale is revived with Rolando Paneral in the title role, Angela Maria Blasi as Norina and Bruno Pra-tico as Doctor Malatesta.

New York

New York City Opera (State Theatre, Lincoln Center). The season's new production of Rigoletto, conducted by Elio Boncom-pagni and devised and directed by Tito Capobianco, joins Theodore Pappa's production of Naughty Marietts, with sets by Oliver Smith. (496 0000).

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Tokyo

Japan Folkloric Art Dance Troupe (Yubin Chokin Hall, Shiba Koen), Now in its 25th year, this company has instilled new life into Japan's folk dance heritage (Tues, Wed). (582 9171). Yas Kaz Concert. Moonlit Lotus 88, with modern dancers Teshi gawara Saburo and Yamaguchi Sayoko. Showa Women's University Hitomi Memorial Hall, near Sangeniava (Thurs). (410 7164). New York City Ballet in Balan-cinne's Midsummer Night's Dream. Tokyo Bay NK Hall (Thurs) (505 5611).

Shoetakovich's opera Lady Mac-beth von Mzensk, with Karan Armstong, Kathryn Moutgomer-

gentatr. An important exhibition, centred on the city of Munich, of the West German cultural scene. There are about 640 works paintings, graphics and plas-tics — by 470 different artists, including over 100 women. Twenty-two works by the Austrian painter and sculptor, Aifred Hrdlicks, form the highlight of

the show. Ends Sept 11. Schleswig

Schleswig Holstein Landsmu-seum. 1,000 years of Russian Art. This exhibition celebrates the 1,000th anniversary of the Russian Orthodox Church, taking sian Orthodox Church, taking as its theme the new alliance between church and state. Following its Moscow première in June, opened by Raisa Gorbachev, it has now moved to Schleswig, celebrating the special relations between the German state and Russia. Duke Karl P. The 453 selected merca are P. The 458 selected pieces are on loan from 14 different Soviet museums, with the highlight provided by 130 icons from the 13th to the 20th century. Modern painters include Kadinsky, Natalja Gontscharowa and Kasimir Malewitsch. The other major part of the exhibition consists of 170 pieces of gold jewellery. Ends Oct. 24.

Museum of Modern Art/Museum of the 20th century. Works by Oswald Oberhuber, one of Austria's finest artists. Ends October

The Austrian National Library. The Arab world in Europe. A. marvellous collection of letters and other literary items. Ends

October 16: Hermes Villa. Portraits by the fin-de-siècle artists, Gustav Klimt and Emille Floege. Ends Feb 19. Secession. Klimt's Beethoven Frieze is now back in its rightful and original place in the restored Secession. The Secession was Secession. The Secession was founded by a group of artists, Klimt included, at the turn of the century. At the time, it provided a haven and experimental ground for artists who were tired of the old established and conservative Kunstlerhaus or arts Academy.

Venice

Palazzo Grassi. The Phoenicians. The fourth major exhibition at Flat's imposing art centre on the Grand Canal attemps to give a complete picture of this extraordinary people, who domi-nated trade in the Mediterranean nated trade in the Mediterranean for over 1,000 years before their capital. Carthage, was finally destroyed by the Romans in 146 BC. The exhibition has been given a highly theatrical presentation by the architect Gae. Aulenti. Sarcophaghi project at odd angles from a pile of pink sand on the ground floor of the Palazzo; in an upstairs room, model ships stand immobile in a rippling artificial lake. Many a rippling artificial lake. Many of the 1,200 objects displayed are extraordinarily beautiful and the 750 page catalogue, published by Bompiani, is excellent. Until Nov 6.

Palazzo Venezia. Imago Mariae. Over 100 works, including mas-

terpieces by Gentile da Fabriano, Pluturicchia, Correggio, Gia-quinto and Tiepoio, showing the progressive humanisation of the progressive humanisation of the Virgin Mary from the austere figure of the Middle Ages to the gentle and accessible charm of the Renaissance and Baroque portrayals, Ends Oct 4.

Martigny

The Glanadda Foundation is showing the second part of trea-sures on loan from the Sao Paulo Museum. Entitled From Manet to Picasso, it is especially rich in Renoirs, from society portaits and little girls in frothy lace and pink and blue satin, to a fleshy nude. Van Gogh, too, is well represented with his famous Ariesienne and landscapes with tor-mented trees. There is Cézanne's portrait of his wife, a Tahiti portrait of his wife, a Tanici scene by Gauguin, early Picassos and Manet's Marie Lefebvre, rid-ing side saddle all clad in black and looking as seductive as Bonnard's appealing nude or Degas' ballet dancers. (23978). Ends Nov

New York

Metropolitan Museum of Art. An exhibition of architecture on paper covers four centuries of drawings

Museum of Modern Art. Almost 100 black-and-white prints illus-trate Matisse's influence during urate matisse's influence during a 50-year printmaking career that included lithography, dry-point, etching and linoleum cut. Ends Nov 6.

Art Institute. More than 50
Dutch and Flemish 17th century
masterpieces from the Hermitage
in Leningrad, including works
by Rembrandt, Rubens, van Dyck
and Frans Hals, kick off a collabcrative effort by US and Soviet museums Ends Sept 18.

Tokyo

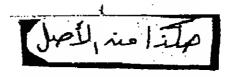
Tokyo National Museum. The Splendour of Turkish Civilization: Ottoman Treasures from the Topkapi Palace. The former Seragito of the Sultans in Istambul boasts a magnificant location, overlooking the Bosporus, and houses a superb collection of classical antiquities, manuscripts, armour, textiles and other arteacts. This selection of 150 items focuses on the heyday of the Ottoman Empire, from the 16th to 19th canturies. Highlights include a steal belimet incrusted with priceless rubies, turquoises and amethysts, and a wooden throne inlaid with ebony, mother of pearl and sil-

a wooden throne inlaid with
ebony, mother of pearl and silver. Closed Mondays.
Hara Museum of Contemporary
Art. Shinagawa. Oil peintings
by Tomic Ohtake, who emigrated
to Brazil in 1936 and is now
regarded as one of Latin America's liveliest abstract artists.
This is her first solo exhibition
in her native country and has in her native country and has been organised to commemorate. been organised to commemorate the some anniversary of the anniversary of the anniversary of the anniversary of the first Japanese immigrants in Brazil Cloud.

Mondaya.

Japan Folkcraft Museum (Nijion Mingelkan), Komaba. Crafta from India. The museum is in an old Japanese farmhouse building which accords perfectly with the unselfconscious beauty of the objects. Closed Mondays. Ends September 25.





Lufthansa

CINEMA

The human heart of the Messiah

"That's hlasphemy" cries a Pharisee in response to Jesus's teachings in The Last Temptation Of Christ. "Didn't they tell you?" replies Willem Dafoe's esus, "I'm the saint of blas-

So you would suppose from the rumpus. From the hot gos-pellers of America to our very own Mrs Whitehouse — aiming her moral aerosol at yet another blot on the art-scape — the clean-up campaigners have rallied round their own notion of Christianity to fend off any possible notion by anyone else. In the process the film itself In the process, the film itself has been upstaged by the

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furore. Two-and-three-quarter hours of sober dramatisedand about the mixture in Him of man and messiah have been sent spinning round in the masistrom of other people's reactions. Many of the strongest early responses came from people who had not seen the movie. Nor apparently were they on nodding acquain-tance with the book on which it was based. Written by Nikos Kazantzakis, it is 30 years old, a modern classic and a staple item in many schools and uni-

The most startling and disarming thing about Scorsese's film is its sobriety. This is no vandalistic spree through the New Testament. It is more like an epic inner monologue; a solilogny staged in the vision-ary deserts of the past, subject-ing "what was" (according to the literal word of the scrip-tures) to the sandhlasting of what might have been.

Instead of Christ as Infallible Saviour, his humanity less real than heraldic, Scorsese's Christ is played by Willem Dafoe (of Platoon and Saigon) with a sense of tearing pain beneath the gentleness. This is Christ the Human. Like us, he is a prey to doubts and fears and could be supposed to the state of the guilts. We first discover him timber for the Roman crosses; we tremble with Him. at the threats and reproaches of Judas (Harvey Keitel), here played as a sort of terrorist for the early Christians; and with Him we feel the insidious, perennial spell of sexual desire, as he steps into the very brothel where Mary Magdalene works and sees carnality in

action.

The notorious climactic vision on the cross — Christ's reverle of family life and of growing old, incorporating a few seconds of chastely filmed cotton — dares to say things that our religious authorities apparently deem unsayable.

THE LAST TEMPTATION OF CHRIST Martin Scoreses

LONG LIVE THE LADY" Ermanno Olmi

> BILOXI BLUES Mike Nichols

"What if Christ were really tempted by earthly things and earthly desires?" What if the story of the son of God as man were not an empty symbol but an acid-test reality?" And "What if the abnegation of all earth's sweetnesses — of which sex is but one — were made by a man who truly felt, rather than symbolically enacted, the pang of their loss?"

To me this would make His

victory even greater, His self-sacrifice a human tragedy translated into a spiritual triumph. And humanity is the core of the film's unassertive but overwhelming power. Scorsese and screenwriter Paul Schrader give the movie the colloquial immediacy Kazantzakis's novel demands. There is no Hollywood Bible-speak.

There are no eternal verifies in Thee-and-Thou prose, intoned by men in white sheets. John the Baptist (Andre Gregory) is played as a straggle-haired tramp, booming with eccentric authority while surrounded by quasi-Hari-Krishna followers. quasi-Hari-Krishna followers. The disciples are a motley crew of doubters, swapping hopes and misgivings round the camp-fire. And when Dafoe's Jesus tells a parable, he does not gibly spin it forth as if for the hundredth time, he feels his year painty kinety to the doubter that the same painty had been a painty kinety to the same painty kinety. his way painstakingly towards it. "I'm sorry, but the easiest way to make myself clear is to

tell you a story."
At times, inevitably, the crusading plainness teeters on the edge of bathos. It is hard not to giggle at the moment when Judas and Jesus, having set-tled their differences and set out across the desert to spread the Word, are seen in shimmerout across the desert to spread the Word, are seen in shimmering long shot with Judas mutering "I hope this isn't a mistake." And the kingdom of the B-movie seems perilously close when Mary Magdalene (Barbara Hershey), sliding her hand towards her intimate parts, says to Jesus "II you wanna save my soul, here's wanna save my soul, here's where you'll find it."

But any movie out to the redress the balance of decades of mock-archaic Hollywood pomposity will risk moments of banality. Nothing mars the moments when the film's "ordinariness" works: when we sense a modern reality bursting forth from a 2000-year-old story. Hershey's Mary Magdalene alone is extraordinary. Look at the horror and anguish or hor force when the Description on her face when the Pharisaic stones are raised against her. Look at the emotion that leaves real rather than hieratic traces on the face. (When did we ever see a character in a Biblical movie weeping with panic and with her nose running?)

The movie's realism is just as impressive in the scenes which transcend reality. When visions appear – the devil as a cobra, Christ pulling his own

beating heart from his chest -they happen without fuss or drum-rolls and are all the more revelatory for that. The miracrevealedly for that. The filling valous can be everyday, the film suggests, the everyday miraculous. That itself is the "greatest story ever told." It is a story that Christ taught us and that great art constantly reiter-

The magical and mundane are also intertwined in Ermanno Olmi's Long Live The Lady. The tender neo-realist of The



Willem Dafoe as Jesus

Tree Of Wooden Clogs here joins hands with a new Olmi: an Olmi of spry, balletic surre-alism. In a castle-turned-hotel in the Dolomites, a business banquet unfurls, whose guests could be fugitives from a lost

Fellini film,
A respectful squad of hotel trainees, drafted in as waiters, look on. And Olmi develops a ballet of social satire as the unspoiled young dance attendance on the distinctly spoiled-looking old. The young-sters see the rheunatic rituals of wealth and adulthood into which they too might some day grow. One hoy (Marco Esposito) determines to escape, and thereby hangs what little the film boasts in the way of a

conventional tale. Edited with dancing scissors

and often wonderfully funny, the movie plays as if Jacques Tati had remade Fellini's Satyricon. But there are also touches of delicacy all Olmi's own. The oldsters may be cari-catures, but the youngsters have the same breath and bloom of life as in The Tree Of Wooden Clogs. The camera gazes on secret looks, blushes and frowns, as if only Olmi among grown-up film-makers were initiated into the freemasonry of their inner life.

Inner life is in short supply in Biloxi Blues. Director Mike Nichols rolls up his sleeves to film the second play in Neil Simon's autobiographical trilogy. The first, Brighton Beach Memoirs, hit the screen last year with a dull thad. This one is kneaded more ambitiously into movie shape - my goodness, we even go outside once or twice - but it still hits the screen like a lump of soggy

dough.
This time Simon's autobiographical hero is in the army. He is played by Matthew Boderick with so many winks, nods and comic tics you feel be should see a neurologist. How-ever, in default of many jokes in the script, he obviously had to do something. The only time I remember laughing londly was when on our hero is on a mud-spattered cross-country run and exclaims, with deep feeling, "Please God, let there be a subway near here."

Around Broderick is the

usual Broadway-or-Hollywood cross-section of army life: the token hlack, the token gay, the token bully, the token egghead. And lowering over them all is their Sergeant Christopher Walken, the token psycho. Walken ends up attempting to kill Broderick: a gesture that far from indicating insanity might suggest a secure hold on reality. Unfortunately he fails, which means there is more to come of Simon's life story on

Nigel Andrews



Kenneth Branagh

Hamlet PHOENIX THEATRE

Every good production of Hamlet reminds one of some aspect of the play one had for-gotten. Thus, in the Renals-

sance Theatre Company prosance Theatre Company pro-duction already praised hy Michael Coveney on this page at its Birmingham premiere, it was a jolt to hear Claudius to speak of "the primal eldest curse . . a hrother's murder" as if just realising the enor-mity of his crime; to be trans-ported to Hamper between at ported to Hammer horror at Hamlet's "Now could I drink hot blood" (how many moody Danes fail, through accident or design, to breathe life into that line?); and to hit on the key to the Prince's character in the hleakly resigned "I humbly thank you, sir" at the explana-tion of Fortinhras' campaign for a small patch of worthless

For Kenneth Branagh's Hamlet is rational and humanitarian. The insanity of the world around him drives him not just to feigned madness hut almost to the real thing, as a Laingian refuge from the insane "normality" of the others that includes intrigue, lying and murder. Ophelia's by Sophie Thompson in "What out at his couplet about words

a nohle mind is here o'er-thrown," may also be a defence as much as a collapse from

Both these performances emphasise the positive element of their characters' psychology. Branagh is especially good at those sides of the Prince that other very young Hamlets often miss; the irony, the increasingly bitter playfulness, the awareness of real evil. He punches out sinewy moral dilemmas, sarcastic jokes and baying grief as if the language were his natural medium. He is certainly no ditherer but bursts with energy, merely uncertain as to how to channel it and ultimately as incredu-lous as Judge Brack that peo-ple do such things.

Derek Jacobi's directorial debut gives us a clear, accept-ably cut version of the play that underlines the sociability of the Danish court - "To be or not to be" is a conversation piece carried on with a mniely responding Ophelia (an unnerving test for the actress that Miss Thompson passes with flying colours). Occasion-ally it falls back on cliché, as when Clanding has to sween

but not thoughts flying to heaven. Richard Easton lacks conviction at this overtly "theatrical" touch, and conversely shows himself adept at the brisk, prosaic hureaucracy of efficient dictatorship. The production's occasional mannerisms include the delivery of lines upstage, the actor's back to the audience, hut vitality, straightforwardness and conviction make it a fit companion for the company's two superb

In this real ensemble (the company's Beatrice is here an unspeaking court lady, rather unjustly hustled off to execu-tion with Osric under the new Norwegian régime at curtain-fall) Edward Jeweshury is a straight, unmocked and very effective Polonius, Richard Clifford a slightly prim academic Horatio, Jay Villiers a vigorous Laertes; Dearhhla Molloy a beautiful young Ger-trude (no wonder she and Claudius are very much a couple of canoodling honeymooners); and Miss Thompson a whey-faced, peaky Ophelia from one of Richard Dadd's madder fairy visions whose insanity is hor-

Martin Hoyle

Scottish Ballet's Giselle MARLOWS THEATRE, CANTERSURY

Scottish Ballet, embarked upon scottish Ballet, embarace man an autumn tour, is in Canterbury this week with its staying of Giselle. This was the first nineteenth century classic produced by Peter - with Darrell for his company when it was translated to Scotland In taking a long look at conventional presentations of Giselle at that time, Derrell noted the lack of dramatic coherence, the acceptance of received ideas about motivation - or lack of it in the characters, and set about remedying this through the already established

theatrical traditions of his troupe. So in 1971 we saw his version as a bold attempt to recreate the social setting of the Germanic legend that was the basis for the drama. The period became mediaeval; each person on stage had an identity; the action was placed within an enclosed and superstitious community. All this, in the determinedly realistic confines of Peter Cazalet's design, made for a cogent presentation which relied upon the traditions of Darrell's past dramatic stagings, and the veristic performance manner

of his artists. And with an outstanding principal — Elaine MacDonald the ballet lived with new

International

collection of Romantic cliches that it was with many another

Looking at the version on Wednesday night, I could see the logic behind what Darrell had intended, and the continuing dramatic intensity of the company matmer, without succumbing to their

There remains much that

is excellent in the production and the treatment of the wills, the sense of a peasant community as framework for the tragedy, are always imaginatively convincing. But an element of undisciplined playing, of merrie peasant munuting, has crept in, while the Couriand nobility and their guards are downright indicrous with their mad hats and even madder walks and gesture. (The dramatic point that both Albrecht and the Prince of Courland have been dressed by the same upholsterer is a fine comic-

touch.)
A long, cool look needs to be taken at the detail of the staging and the feebler interpretations, and a ruthless editing of quaintness must be envisaged. The production currently does little service to its principals, who seem crowded by the surrounding ant flummery. Linda

esting a village girl of quick nervous temperament, her emergence from the tomb in Act 2 marked by a burst of dencing which exemplified Gantier's description of the will as a spirit freed from the weight of the earth on her . . .

Tristan Borrer made Albrecht a decent figure, it something lacking in ardour. This latter quality marked the brooding Hilarion of Paul Tyers, in a reading at once ensitive and tautly drawn, retaining all the emotional tension that Peter Darrell first gave to this staging, but which the passage of the years has slackened. In justice to Darrell's vision of Giselle, the canvas needs to be cleaned of its cloudy antique varnish and over-painting.

Clement Crisp

Peter Stuyvesant Scholarship awards

This year's winners of the Peter Stuyvesant Foundation Scholarships to the National Opera Studio are Tinuke Olafimihan (soprano) who receives an award of 13,000, and Louise Crane (mezzo soprano), £2,000.

BBC Welsh Symphony ALBERT HALL, RADIO 3

Since last year Tadaaki Otaka has been the BBC Welsh Sym-phony Orchestra's principal conductor. On the strength of Wednesday night's Prom one would say they were in good hands - hut rather gentle

Whether it was Otaka or his soloist Cécile Ousset who set the tempo for the Allegro affettuoso of Schumann's Piano Concerto, the result was a steady, dignified Moderato, "affectionate" only at a cool

There was a little fire in two or three climaxes, but the temperature never rose above respectful warmth; as often in German music, Ousset was firm, exceedingly regular and somewhat self-effacing. The largeness of tone and of phras-ing that are virtues in her Brahms are not much to the point in this Schumann, where the intimate solo voice has to establish itself by personality and fancy.

With Ousset, even the play-ful curves of the Intermezzo sounded polished to uniform symmetry (and in excellent taste); she gave nothing away, but was content to be a strong, selfless concertante partner in

Otaka's account of Mahler's Fifth Symphony was perceptive and admirably prepared,

short on immediate thrills but decently imposing in scale. He was fortunate in his trumpets. who declaimed their crucial, dangerously exposed parts hravely. The sound of the Welsh strings on their own was cultivated and unanimous; in tutti they seemed (as broadcast, at least) to cower beneath the brass where one wanted them to cut through the texture. The edge of their attack was rarely sharp enough to accomplish that.

If the opening Trauermarsch, soberly measured, was less than shattering – the outhursts of fury and terror, which should expose the desperate tension that runs through the whole movement, remained just episodes -Otaka brought the subsequent "Stürmisch bewegt" to seeth-ing life. And he matched it with a Scherzo of open-hearted character and generous propor-tions, developed with spirit in the Rondo-Finale: obviously his studies with the venerable Hans Swarowsky were not

When his strings have acquired extra confidence for searing their way into the hig-gest dramatic phrases, there will be some very good Mahler coming out of Wales.

David Murray

Haydn

WIGMORE HALL Wednesday, day five of the Wigmore Hall's celebration of Haydn's late chamber music, brought a plentifully stocked programme that combined all of the series' thematic strands - a piano sonata, two piano trios and a string quartet with the bonus of a group of songs and a solo cantata. The evening was sold out, and warmly received, though the performances were hy no means consistently excellent,

and the gap between honourable intention and dedicated execution was sometimes uncomfortably wide.

Excellence was represented in two components. The Tak-acs Quartet's account of the D major Quartet Op.76 no.5, arriving at the end of a long concert, was joyously outgoing, technically immaculate and conceived in long, comprehen-sive sweeps, tensely argued in the outer movements, expansively hymn-like in the Largo. And Ann Murray's thoroughly operatic treatment of Arianna a Naxos, marshalling all her vocal powers, was both sus-tained and adroit, making a splendid dramatic centre to an instrumental evening.

András Schiff accompanied Miss Murray, and on his own account had earlier given the little D major Piano Sonata Hob.51 with rather too much impasto and romantic moulding. His was necessarily the predominant voice in the piano tries (in B flat Hob.20 and E flat Hob.12) with the violinist Ynuko Shiokawa and cellist Steven Isserlis, Whatever the

performers they do not make a convincing ensemble; the piano was over-dominant, the cello often inaudible, and the quality of rhythmic life severely limited. The raison d'être for the current series is a rehabilitation of Haydn's piano trios, and from that point of view it might have been wiser to engage a long-established trio for the performances rather than an occasional combination such as this. The encored, though without prod-ucing a significant improvement in the standard of intona-

qualities of the three as solo

Andrew Clements

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SALEROOM

Magritte top price

The Elton John sale stormed into its third day with the entertainer's pictures adding 2597,619 in the morning session to his fortune, which is already 24,279,754 greater. This is way above Sotheby's cautious esti-mate of £3m for the total four

day auction.
Top price was the £70,400 paid by a Belgian collector for "Hommage a Alphonse Allais," a painting of a fish wrapped in pearis by local surrealist artist Rene Magritte. In total artistic contrast a Lowry made £46,200. It is a quite a jolly scene for a Lowry: a view of the beach at Penarth in 1960, with holiday makers enjoying the prom.

Another Lowry, of the town square in Moreton-in-Marsh, was bought hy Crane Kalman, a London dealer, for £41,800. Elton celebrated the foundation of his company, Rocket Records, by organising a day

trio to Moreton.

There were two notable artist records. "Green table" by Allen Jones, depicting a crouching green fibre glass lady with leather accessories, supporting a glass table on her back, sold for £20,900 (top esti-mate £7,000) while a costume design by Erte for the 1934 production of "Aux temps des merveilleuses" made £15,950, as against a £3,500 top esti-

Another Allen Jones painting to make a feminist froth, "

Gleam dream," showing a pair of stiletto shod legs, was on target at £6,050, while another, small, Lowry, depicting a yacht at Lytham, doubled its top forecast at £17,600. "Olympia with leaf," a pastiche of the Manet painting by Paul Wun-

Manet painting by rain wanderlich, sold for £15,400.
Sothehy's estimates were way out over two paintings by the Australian artist William Delafield Cook."Museum piece" an ultra realist view of famous Dutch paintings in an art gallery, sold for £15,400, as against a top estimate of £800, while "Untitled" by the same artist realised £14,300, as against a similar £800 forecast.

In the afternoon session an item which nicely illustrates Elton's edectic collecting eye, a Rembrandt self portrait etching, went for £9,350. In contrast an advertising lithograph of Jospehine Baker trebled its estimate at £2,090. A set of four Mucha lithographs, depicting the times of the day, did well at £9,020, while another French treasure, a lithograph of Maurice Chevalier also trebled its forecast at £1,540.

Sothehy's also managed a successful stamp sale, a collection of Rhodesia 1913-24 Admirals making £160,850. Top price was £27,500 below forecast paid for a set of 21 of the 1913 die

Antony Thorncroft

FINANCIAL TIMES

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Friday September 9 1988

VAT sans frontières

WITH THE release vesterday of his paper on taxation in the single European Community markst, the Chancellor of the Exchequer has demonstrated that the dialogue on values added to the paragraphics in its ue-added tax harmonisation is one among the deal. In fact, both sides are right and both are wrong and neither is really dealing with the arguments of In the interest of more light

and less heat, two issues must be distinguished: first, the desirability of the abolition of frontier controls; and secondly, the implications of abolition for the need to harmonise VAT The Treasury paper argues, correctly, that the economic benefits of the abolition of frontier controls are expected to be modest. But this is to know the price of everything and the value of nothing. The idea that people will be able to move freely from one part of the EC to another is the one element in the whole 1992 programme capable of capturing the imagination of a wider pub-

A prejudice that the UK should retain border controls is not enough to justify them and the arguments themselves are quite weak. To take one example, can frontier controls really be needed to guard against ter-rorism, when no such controls exist vis à vis the Irish Repubic? The vast scale of move-ment today — and the still greater movement to be expec-ted tomorrow — renders strempts to control terrorists, firearms or drugs at the border like straining for microbes with a kitchen sieve.

VAT harmonisation

Quite a different matter is the Commission's conclusion on the harmonisation of VAT and excise duties. Even here there are some points of agreement; both accept the destina-tion principle, for example. The main difference is that exports would be zero-rated under the Treasury's proposals. Under the Commission's, VAT on exports would be reclaimed by importers and the inter-country balances settled through a clearing house. The Treasury's proposals is that the system would be both complex and open to fraud. There is something in this, especially if VAT rates on similar goods were to vary very widely, but the argument is overstated. It is strong only to the extent that the decision has already heen made to retain some controls at the frontier. Where the Treasury is on stronger ground is in its objection to harmonisa-

Frontier controls

Without harmonisation, the Commission argues, cross-bor-der shopping would erode the revenues of high tax countries. Harmonisation is, therefore, a political precondition for abolition of frontier controls. Countries will want agreement in advance where the decisions of others would otherwise impose losses upon themselves. This are low taxes in other coun-tries, but a country that imposes relatively high taxes provides hanefits to others. Thus the arguments for tax minima and tax maxima are

In addition, even though har-monisation of tax minima is, as the Commission argues, proba-bly a necessary condition for political agreement to the abolition of frontier controls, such tax minima might not have to be EC-wide. Why not just agree them for countries between which erosion of tax revenue which erosion of tax revenue through cross-border shopping could be a serious problem? The issue of tax harmonisa-tion has become needlessly

muddied. The Commission is right to argue for the abolition of frontier controls. The Trea-sury is right only to argue that, if frontier controls are to be kept for non-economic reasons, the checking of export invoices would impose negligi-ble additional costs. The Commission is wrong, however, to argue for its tax bands. To make the abolition of frontier controls politically possible, agreement on tax minima is all that is required (though not necessarily on the same minima throughout the EC). It is difficult to understand why countries would prefer to agree to maxima than determine them for themselves. The ous in some of his proposals, but on this at least he is abso-

Questions for Sir Geoffrey

and civil war, floods and pesti-lence, dominate Africa today. Tomorrow Sir Geoffrey Howe, the British Foreign Secretary, begins a five-country visit which will give him the oppor-tunity to make a first hand assessment of these devastating problems, including, in the case of southern Africa, the destabilising role played hy

Sir Geoffrey's hosts will raise three main issues: aid flows to the continent, debt relief, and South Africa. All are likely to involve some pointed questions — about aid, for instance. Although the British Government remains formally committed to the United Nations' target for overseas ald - 0.7 per cent of gross national

product – the proportion had slipped back by last year to just 0.28 per cent. Britain has played a leading role in efforts to ease Africa's external debt burden. But existing measures fall far short of what is needed.

The African leaders thus have legitimate cause for concern. Yet Sudan, the first stop on the tour, presents a striking example of the complexities of the first two issues. No one dis-putes the country's urgent need for substantial aid after the recent floods which have devastated a country already hard hit by drought. And there is general agreement that the country is incapable of servicing its \$12bn external debt.

Donors and creditors

But donors and creditors looking beyond short-term emergency measures also argue, with justice, that Sudan must first set its house in order. A shay civilian adminstration has a far shown istration has so far shown itself incapable of ending the country's civil war, a step essential to economic recovery.

Uganda, also on Sir Geoffrey's list, presents its own set of problems. Mr Yoweri Museveni, the guerrilla fighter who overthrew Mr Milton Obote's oppressive regime, has made progress with efforts to reconcile warring factions within the country, but has been unable to sustain a credible economic recovery programme. Kenya will offer Sir Geoffrey of Africa's rare examples of both stability and economic development. This, together with the close historical links between the two countries, has carned Kenya a favoured place in Britain's aid budget as the largest recipient of UK assistance to suh-Saharan Africa. Perhaps for this reason the Government's record comes under closer scrutiny in Lon-don than that of many other African states. Developments in Kenya give grounds for questioning the increasingly autocratic style of President Daniel arap Moi and should lead Sir Geoffrey to seek reas-surances about the observance of human rights.

Economic decline

The decision to step aside by Mr Julius Nyerere, who pre-sided over his country's disas-trous economic decline, has allowed the Government to pursue overdue reforms, and begin a rapprochement with the International Monetary Fund and the World Bank. But the most dramatic turnround in economic policy will be encountered in Mozambique, ths Foreign Secretary's last port of call, where an ostensi-bly Marxist Government is disantling its hitherto socialist policies.

Mozambique also presents the most sensitive issue of those Sir Geoffrey is expected to encounter the destabilising activities of South Africa, the main backer of the rebel Mozambique National Resis-tance. Britain plays an important role in Mozambique, training army officers, providing non-lethal military aid, and helping in the rehabilitation of railways which could reduce

the region's dependence on South African trade outlets. As long as South Africa continues to support the rebels, this role is undermined. Britain's policy of assisting the front line states to reduce their trade and transport links with South Africa is sound. But it is not enough in itself if the South Africans are taking sctive steps to undermine this strategy. The credibility of Britain's southern Africa pol-

icy is at stake.

James Buchan reports from New York on the allegations against Michael Milken of Drexel Burnham Lambert, one of the US's most powerful financiers

The case against the junk bond emperor

o his friends, Mr Michael Milken is the greatest finan-cier of his age, a man who is rejuvenating corporate Amer-ica. From the Beverly Hills office of the Wall Street firm of Drexel Burn-ham Lambert, Mr Milken has turned a neglected area of the market for corporate debt into a \$150hn pool of capi-tal for the entrepreneurs who will make US business great again. To his enemies, Mr Milken, 42, is a banker with an eerie obsession for

banker with an eerie obsession for money and power. He created an unwholesome appetite for his low-grade "junk bonds" and for a series of bullying and destructive takeovers financed by the junk market. In a five-year free-for-all, these people say, Mr Milken unsettled managements all over the US and forced them to adopt ramshackle capital structures that could one day collapse and plunge the

To Mr Gary Lynch, a lean securities lawyer who is four years Mr Milken's junior, the big issues of corporate competitiveness, credit and leverage are beside the point. For Mr Lynch, who is head of enforcement with the Securities and Exchange Commission in Washington, Mr Milken is simply a banker who has broken every securities law in the book.

The 184 page civil case against Mr Milken and his firm, which was filed by the SEC in a New York court late on Wednesday afternoon, is a litany of allegations of securities fraud from insider trading to stock manipulation, reporting violations and falsified

For two years, the case alleges, Mr Milken used Ivan Boesky, the disgraced arbitrageur now serving a gaol sentence for insider trading, as a "front" to trade stock in companies with which Drexel Burnham had some confidential relationship. In one case, that of Harris Graphics in 1985, Mr Boesky is alleged to have helped Mr Milken, his family and his friends earn \$25.7m. Mr Boesky was also well compensated, the SEC says.

Accused with Mr Milken are his brother, Lowell, a lawyer who works to Deard Surethern in Bowerly Milken.

at Drexel Burnham in Beverly Hills, and two Drexel Burnham traders, Mr Cary Maultasch and Ms Pamela Monzert. Mr Victor Posner and his son, Steven, two takeover specialists from the stable maintained and financed by were accu one of their companies. Both Posners have had repeated brushes with the

Mr Milken's alleged offences may sound relatively small beer individually. But even Wall Street was astonished on Wednesday by the sheer number of them in Mr Lynch's case. Mr Milken and Drezel Burnham are accused of fraud in no fewer than 20 cases in the two years up to 1986, when Mr Boesky turned state's evi-dence in return for lenient treatment from the commission and the courts. The cases involve attempted take-overs of such companies as Phillips

and such well-known takeover spe-

and such well-known takeover specialists (none of them defendants) as Mr Carl Icalm, Mr Ted Turner and Mr Saul Steinberg. SEC lawyers say Wednesday's filling is not exhaustive. Some securities lawyers wondered yesterday if there had ever been a case so wide-ranging since the passage of the securities acts in the wake of the 1929 crash. "This is probably the highest-impact civil case ever filed by the SEC in federal court in its 55-year history," said Mr John Stoppelman, an independent securities lawyer in Washington. lawyer in Washington.

The case poses a huge challenge not only for Mr Milken and Drexel Burnham, but for the financial markets they control and the structure of securities regulation. Many lawyers think thes regulation, many lawyers think that criminal prosecutors are trying to prepare racketeering charges against Mr Milken and Drexel Burnham which would carry draconian penalties. Mr Milken's removal would also disrupt the junk bond market (even if only temporarily), because he underwrites no less than 50 per cent of all new bonds.

But lawyers also warn that the whole case could blow up in Mr Lynch'e face if Drexel Burnham fights in court and wins. The SEC has an institutional bias to overcharge because it is not often challenged: defendants usually settle," Mr Stop-pelman says. "These charges are very, very ambitious." What happens to

The 184-page SEC case is a litany of allegations from insider trading to stock manipulation and falsified records.

securities regulation if the case fails is not hard to guess. Congress would almost certainly demand a new securitles act to give the SEC some teeth. The key to the SEC's case is the testimony of Mr Boesky, who began talking to the commission and criminal prosecutors in the summer of 1996 after being denounced by another con-victed insider trader, Dennis Levine. All but two of the cases listed by the SEC are traceable to Mr Boesky, Mr Boesky allegedly traded for Mr Milken or vice-versa. Some are quite routine allegations — for example, that Mr Boesky parked stock with Drexel Burnham to dodge minimum

capital requirements or tax liabilities
hut others could, if proved, severely damage Drexel Burnham' severely damage Drexel Burnham'
In the Harris Graphics case, Mr
Milken allegedly owned big positions
in the company's stock and used Mr
Boesky to huy more shares and
threaten Harris's management with
takeover. Other Drexel clients (such
as Mr Steinberg's Reliance Holdings)
also bought positions in Harris till the

company was finally stampeded into selling itself. According to the SEC complaint, Mr Milken and other Drexel employees received \$22 for shares they had bought for \$1.

Even more damaging, if proved, to

brenel Burnham's relations with its clients is the case of Maxam and Pacific Lumber, also in 1985. According to the complaint, Mr Milken became dissatisfied with the fee Drezel Burnham was due to receive the children Maxam on the tabecage.

The SEC alleges that Mr Maultasch, in particular, maintained "secret off-the-book records" of the transactions between Beverly Hills and the Boesky organisation. Drexel Burnham allegedly attenuated to destroy attenuated to destroy attenuated to destroy. edly attempted to destroy records when the Levine case blew up in early 1986. But the SEC claims to have a piece of evidence that is corroborated

was designed to square the books. The \$5.3m represents Drexel Burnham's profits on trades done on its behalf by Mr Boesky less Mr Boesky's profits on Drexel Burnham's trades,

attack in a letter to the firm's clients yesterday. "There is little in the filing that is not based on Ivan Boesky's allegations," he said. Lawyers on the defence side say they look forward to grilling Mr Boesky in court.

Drexel Burnham has waged a pub-

lic-relations campaign unprec in Wall Street history. The firm, which employs eight PR firms on the East and West Coasts alone, has taken full-page advertisements extol-ling the virtues of junk bonds as the engines of economic growth. Drexel and prepared for the charges. It is a tribute to Mr Milken's extraordinary hold that the vast majority of his clients have stayed loyal.

ents have stayed loyal.

But after two grinding years of uncertainty, Drexel Burnham faces a strong temptation to settle the charges. The firm could do this by paying over a large sum but without admitting guilt. Drexel has been negatiating with the SEC, but talks apparently broke down earlier this year. In the past two days, Mr Joseph has kept open the possibility of a settlement. "It is unfortunate that these matters could not be settled out of court." be could not be settled out of court," he

for advising Maxxam on its takeover of Pacific Lumber. The SEC says Mr Miken persuaded Mr Boesky to buy into Pacific Lumber, driving up its stock and forcing Maxxam eventually to pay more. Drexel Burnham garnered \$22m for the transaction, according to the court documents.

The SEC alleges that Mr Manitssch.

piece of evidence that is corroborated by witnesses other than Mr Boesky. This is a \$5.3m invoice for money paid by Mr Boesky to Drexel Burn-ham in the spring of 1986. The firm claims that the money, though it raised suspicions among Mr Boesky's auditors at the time, was for bona fide. "consulting services". The SEC says it was designed to square the books.

the SEC says.
For almost two years, Drexel Burnham has poured scorn on Mr Boesky as a self-serving felon, Mr Fred Joseph, the firm's tough and bolsterous chief executive, continued the



said on Wednesday. He also said that Drevel Burnham, which has equity capital of more than \$1bn, had reserves adequate to meet an SEC demand for damages. Mr Joseph said he thought this might be \$100m — the amount Mr Boesky paid.

Whether Drevel Burnham fights or settles will probably depend on the relationship between Mr Joseph and Mr Milken and the prospects for a

reianonship between Mr. Joseph and Mr. Milken and the prospects for a criminal prosecution. Both are vexed issues. Though nominally just a senior vice-president, Mr. Milken is. Drexel Burnham's third-largest stockholder and the man who transformed the firm from a run-of-the-Street operation to the most profitable invest-ment bank in the US. Drexel Burn-ham has always prided itself on its free-wheeling ways and there seem only the sketchiest lines of authority from Mr. Legels down to Mr. Milken from Mr Joseph down to Mr Milken.
There is even greater uncertainty
about the prospects of a criminal case.
Mr Rudolph Giuliani, the US Attorney
in Manhattan who is handling the

criminal investigation, has been presenting evidence to a grand jury to indict Mr Milken and Drenei Burn-ham. Lawyers are puzzled and sur-prised that the SEC decided to go cedure. They say it is possible that Mr Giuliani will seek to block a deposi-tion by Boesky because he needs more information from his star witness. This would effectively halt the SEC case. There is widespread speculation, fuelled by some defence lawyers, that Mr Giuliani and Mr Lynch have fallen

But Mr Stoppelinan and other inde-pendent lawyers point out that the burden of proof in a criminal case is heavier than in a civil case. It is possi-ble that Mr Glullani and his chief prosecutor on the case, Mr Bruce Baird, are having difficulty putting

together a case that would convince a jury. Their other main securities fraud case — an investigation of three Wall Street arbitragems — has yet to produce an indictment 18 months after the dramatic arrest of the three

In the absence of criminal charges, Drexel Burnham might decide to take its chance in front of Judge Milton its chance in front of Judge Milton Pollack, a highly regarded judge handling the SEC case, "He's stern and fair but he's not pro-government," says Mr Stoppelman. "The commission could find it difficult to prove Boesky was a front."

Ironically, the case is likely to have its least effect in the financial markets. Boesky's guilty plea in Novem-

kets. Boesky's guilty plea in November 1986 came out of the blue: both stock and junk bond markets fell sharply for fear that the takeover game was over for good. These fears proved quite unfounded. Hostile takeovers have abated but this is largely because of new state regulations that give incumbent managements more say, Meanwhile, the markets have had almost two years to prepare for the charges against Mr Milken.

...The explosive growth in the junk bond market has spread the number of investors from a few mavericks to pension funds, mutual funds and other big institutional investors. Meanwhile, Mr Milken has seen his

Meanwhile, Mr. Milken has seen his monopoly of new-issue bonds whittled down by Wall Street competition.

"If there is a reaction in the market, it will be only short-term," said Mr. Robert Levine, a leading junk bond analyst at the rival firm of Kidder Peabody. "The bond prices depend on companies" ability to make interest payments and that has nothing to do with this case," he said.

Whatever happens to Mr. Milken, it appears that junk bonds are here to stay.

Drummond's targets

When John Drummond first ran the Edinburgh Festival in 1979, he had a sales forecast of £1.5m. He missed it by £4. It did him a power of good with the organisers, he said yesterday, to have come so close. It looks as though he will hit the financial target for this year's Proms as well. The bad weather has helped in pulling in the audiences. On one par-ticularly rainy day there were £17,000 box office sales in the few hours before the concert. There are also one or two more concerts that are proving hard to sell: notably the world premiere of Trevor Wishart's Vox 1-V1 at the Kensington Town Hall next Monday. But the target of just under £1.15m has been almost met. There have been very few sell-outs, said Drummond, but the average

70 per cent.
Drummond is as purist about financial returns as he is about the choice of music. The challenge is to manage both. His achievements so far have been to increase the number of concerts — up to 69 from 54 a few years ago — and to bring in more foreign orches-tras, while never overlooking the musical resources of the BBC. (Drummond is also Con-troller of Radio 3.) The foreigners, he claims, help to raise British standards. "A few years ago British orchestras would not have mastered Mahler's

attendance has been up at over

A weakness has been that he has not been able sufficiently to promote the latenight Proms at new venues, like those at the Kensington Town Hall. But the attempt will go on. "The Proms," he says, "should be an annual summary of where we are in music today. That means smaller groups and not just symphony orchestras in the Royal Albert Hall. The ideal venue for those would seat about 900." Because of safety regulations there are not many

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available.

A problem that no-one has been able to overcome is the debenture holders at the Albert Hall who do not give notice when they are not using their boxes. It means that up to 1,400 seats can be empty at a concert that has otherwise been booked out.

Meanwhile a first-time prom-mer asked: "When do we sing Land of Hope and Glory?" "In about seven weeks," he was

Burma call

A bit of history came knocking on the door of Burmah Oil this week when a man rang up asking if the company was interested in getting back its old wiferester extinctions. old refineries, nationalised in 1963. The call came from Wash ington from someone claiming to represent the National Republican Party of Burma, which says it is trying to form an umbrella group of opposi-

tion forces.
The Burmese have evidently not caught up with the evolu-tion of the company. It has not the slightest interest in not the signest interest in returning to the old country and is very happy with its cur-rent business of blending and marketing oils that other com-panies refine (often at a loss these days).

Just for fun

■ It is becoming a tradition for the joylal Wykehamists and Old Etonians who run Lloyd's of London to be upstaged by two of the market's more enterprising mem-bers, John Rew and Charles Sturge. This week they did it again, producing their private forecast of the Lloyd's 1965 results the day before Lloyd's released its official figures. Their company, Chatset, pre-dicted profits of £101m after



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stripping out commissions paid to Lloyd's agents: the official figure, announced yesterday, was £108m.

Sturge is the scion of a dis-tinguished Lloyd's family, and trades as a commodities broker. He spends his summer compiling Chatset Lloyd's League Tables from the pub-lished accounts of individual Lloyd's syndicates because, says Rew, he is intrigued by the Lloyd's scene. Rew, a freelance chartered accountant, views the exercise as the best means of tracking his invest-

ments in the market. To a large extent, the Chatset tables are a labour of love: at £30 a copy, they are "astonishingly cheap," says Rew, in view of the three months preparation. The 1988 print run is 4,000, with an expected paid circulation of about 3,500, in spite of competition from rival tables published by the Association of Lloyd's Members. It appears that not many of the 33,000 Lloyd's Names read

So like Jaguar

Profits have fallen more than forecast, sales have slumped in the US and there may be a takeover bid not too far away. Jaguar, however, still does some things in style. Jaguar, History of a Classic Marque, published yesterday by Sidgwick & Jackson at £19.95 a copy, must be the ultimate in company coffee table books. It has a text (by Philip books. It has a text (by Philip Porter) as well as photographs, and tells of the rise from reconditioning army surplus motor bikes and fitting them with sidecars after the first world

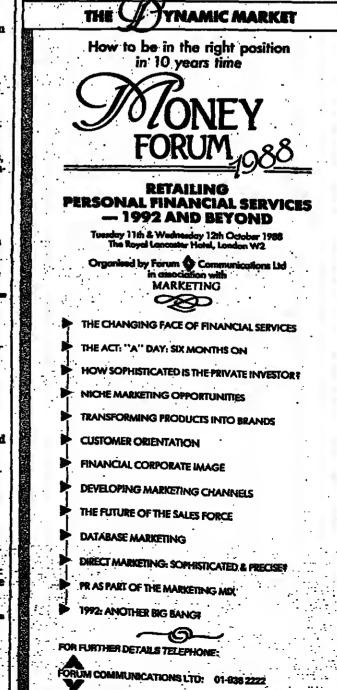
Honda did much the same thing after the second war, starting with bleyeles, and has plenty of experience of the British car industry by now. So perhaps the two firms have something in common.

Ron Todd's wit

■ Three large fire engines arrived outside the TUC's prin-cipal conference hotel, the Royal Bath, in Bournemouth on Wednesday to deal with a fire alarm which proved to be false.

The mid-evening revellers and guests circling round the hotel's bars, restaurants and TUC receptions were all herded into the street. One of them was Ron Todd, general secretary of the Transport and Gen-eral Workers and the man sometimes said to hold the future of the Labour Party in his hands. Referring to the general secretary of the Fire Brigades Union, he looked up at the flashing lights and turning extension ladders of the modern fire brigade and calculated and control of the modern fire brigade and asked: "Why can't Ken Cameron come here in a taxi like everyone

Always happens ■ Why did the man who tried to cross the Channel in a bath tub have to give up? Because he had to get out to answer the telephone.





POLITICS TODAY: By Joe Rogaly

Life in the world of the toyshop

in it. Mr Edmonds is the General Secretary of an umbrella union whose TUC listing has the initials GMBATU. He was referring to his own work on the training vote, but his summing-up will do as well for an epitaph for the TUC. (His union's name could be that of a tribe. Beware the Gubatu. They are too clever by half. They tried for a vote that was both for and against training and got the worst of it, a qualified vote against.)

Epitaph is the correct word.

Epitaph is the correct word. it is hard to believe that it is less than a decade since the TUC was a participant in the corporate state, its leaders the confidants and often the mascontinues and anea. He man-ters of the Cabinet. It is not much more than 19 years ago that I found myself opposite a trade union dignitary in a rail-way carriage. He had his papers spread out on his knees. They were all from Downing Street: it could have been the Prime Minister's box. He worked through it nonchalantly, making a marginal com-ment here and there, as if he had been Disraeli or Churchili. Today it would not matter if he were the paramount chief of the Gmbatu, or the king of the Amenu, the engineers' clan, or even the flerce witchdoctor of the Tagwu, the transport workers' tribe. The latter, Mr Ron Todd, is unmistakable. He takes naturally to the witchdoctor's mask, especially when he is on television. If you see this medicine man of the Tagwu coming, run. He can ruin anything resembling prog-ress with a single shake of the TUC's bones, of which he is in-

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command of a great many. He certainly achieved such a ruination on Wednesday morning. The case is instructive, for it explains why the present Conservative Government, a triumphant tribe if ever there

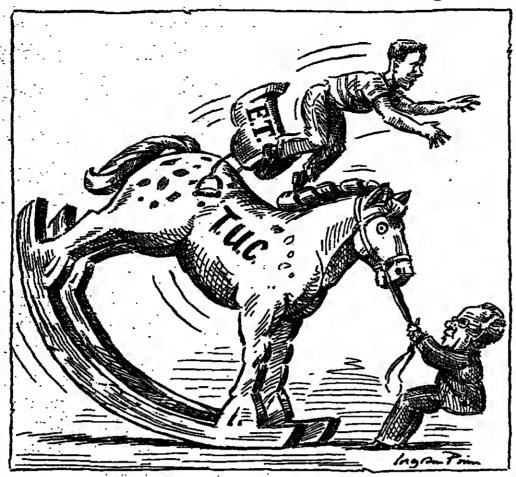
Congress is an absurdity lis behaviour this week can be explained in no other way.

On Monday, one of its more sensible member unions, representing the electricians, was thrown out. On Tuesday it became indignant because the leader of the Labour Party, Mr. Neil Kinnock, dared to express an opinion of his own.

On Wednesday this fastian gathering of former persons of infinence addressed likelf to the Government's Employment Training scheme. In a single morning it managed, in the words of Mr John Edmonds, to construct a mase and lose itself in it. Mr Edmonds is the General Secretary of an umbrella union whose TUC listing has the initials GMRATU. He was referring to his own work on the training vote, but his summing up will do as well for an epitaph for the TUC. (His union's name could be that of a tribe. Beware the Gmbatu. They are too clever by half.

They tried for a vote that was both for and against training number of trainees is, how-ever, expected to rise by about a third. It is difficult to believe that the quality of training that will be provided will be adequate, except perhaps in certain specific industries like construction, where the demand for competent opera-tives remains strong. The best that can be said for most of ET in its present form is that it will, be a job introduction agency for some thousands of 18 to 25-year-olds who might have stayed on the register of

long term unemployed.
Its effectiveness as a genuine training programme will, however, depend to no small degree on the attitude of the trade unions. Ms Berryman is aware of that. "ET is unworksble without major improve-ments," she writes: "Trade unionists have to be in there, winning those improvements."
(My italics). This is the view put by Mr Kinnock on Tues-day, to the evident disquiet of Mr Todd and his allies. Mr Kinnock must be given proper credit for his speech. It con-tained a respectable attack on the Chancellor of the Exchequer, an impassioned descrip-tion of the meaning of "com-munity" (which is badly-needed in contemporary Britain) and, in a passage of no-little courage, a plea to the TUC to vote for continued par-ticipation in ET in order to improve it. Those of us who



matter of nuclear disarmament policy at the beginning of the summer must acknowledge his courage in advocating contin-ued participation in ET at the end of the summer. After all, the Tagwu, who are against participation, command a key slice of the votes for the leader and deprity leader of the

Labour Party.
Mr Kinnock took the correct line for an opposition party leader who hopes to win a gen-eral election one day. Mr Todd, whose executive contains some members for whom the destruction of the temple of capitalism is the overriding objective, led the TUC into the Government's trap. For Mr Fowler is now gleefully wring-ing his hands about the fate of the long-term unemployed, and saying what a pity it is that sittle courage, a plea to the TUC to vote for continued participation in ET in order to improve it. Those of us who criticised Mr Kinnock for capital to the opposition: concern fullating to Mr Todd on the

Kinnock foretold, it is another triumph for Thatcherism.
It might be protested that the opponents of ET had genuine trade union reasons for their attitude. Humbug. Look at what will happen now. The construction workers' union, which voted for continued participation in the programme, is unlikely to interfere with the excellent deal it has already excellent deal it has already agreed. The local government union, Nalgo, was less straight-forward. It is opposed to ET on ideological grounds and proposed to wreck it. Some of its mambers would, however, suf-ier, since they are trainers. So its successful motion provided for these and some others to continue with the scheme for up to two years. It is presumably this that Mr Bill Jordan,

the engineers' leader, meant when he accused opponents of KT of "parading two-tier con-sciences." There is, however, another-possible "genuine" case in favour of walking away from

the Government's scheme. This is the fear that it will become compulsory. The fear is compounded by the use of an American coinage, "workfare" to describe a system under which people who refuse either training or a proffered job are denied benefit. Anything emanating from the US is suspect to some trade union activists. In the phrase of Mr Bric Ham-mond, leader of the expelled electricians, they are suffused by a "pathological, racist anti-Americanism." Shorn of such emotions, it might seem rea-sonable for a trade union to harbour fears of compulsory

labour - but, once again, hum-For Mr Fowler has stated on many occasions that ET is and will remain voluntary. It is true that the Prime Minister has shown by her own equivocations that for her part this policy could change, but if it did the trade unions could walk out of ET then.

In any case the British atti-

LOMBARD

Mr Lawson's hair shirt

By John Plender

REMEMBER THE good old days of fixed rate lending? That was when a monetary squeeze meant instant pain for financial intermediaries, as the cost of their deposits soared and the return on their assets failed to keep pace. Borrowers had little cause to flinch, and would-be borrowers learned the virtue of patience.

A little Calvinistic, perhaps, but neat all the same. The odd thing is that the Pritish Ched

hut neat all the same. The odd thing is that the British Chan-cellor's present determination to rely exclusively on mone-tary policy to cope with his balance of payments problem looks perfectly tailored for that bygone age — but scarcely for this one.
Much of Mr Nigel Lawson's

many different things in the United States. In California it difficulty lies in the explosion of credit which fnelled the can mean a method of teaching Spanish-speaking single mothers enough English to find low-paid jobs as waitresses; in house price boom. In the days before the deregulation of bonsing finance and the appearance of variable rate Massachusetts it is something far more edifying and indeed voluntary. In Britain there would be little practical value in ohliging people to take jobs in areas of high unemploylending, monetary policy operated on the economy chiefly through the housing market.
The big change came with
Mrs Thatcher: the lifting of ment; as to training, the case for some form of obligation exchange controls in 1979 left the manufacturing sector more becomes the stronger the nearer you move to the high-cost, high-reward Swedish model, which virtually guaran-tees a job at the end of the day. vulnerable than home owners

tude to workfare is a typical case of muddled English-style thinking. The concept was given its modern form by Lord Beveridge, who is regarded as one of the founders of the wel-

fare state. His wartime report provided for nnemployment

benefit payments on the basis that people would be expected to take available jobs or train-ing. Legislation has changed

much since then, but the assumption that claimants for benefit are willing to take suit-

able work has been a constant During the late 1960s and early 1970s the offices paying out benefits were separated from

the offices that ancouraged people to find jobs. That mis-

take is now being rectified, so that an application for the dole

incurs pressure to find work. The word "workfare" means

Such considerations would

be the stuff of a proper TUC debate on training. They have

the money, and access to the brains, that would enable the

Congress, or its constituent unions, to enter into a proper

debate on the matter. They

could infinence both public

opinion and the organs of Gov-ernment, if the case was prop-

erly mustered and well pres-ented. As it is virtually all the running is left to the right-

wing study groups. They bring American proponents of work-fare over to address select meetings; a TUC that was more

than a discarded toy rocking-horse of the 1970's could counter such lobbying with lit-tle difficulty. Instead, it will

probably propound its own form of training scheme, insist-

ing on the same working condi-tions for trainees as employees,

negotiated pay, a right to trade

union membership, and the like, Even if it lards such a list

of demands with reasoned argument, it will, after this week's vote, be speaking from

the top of an empty soap-box.

when sterling's subsequent appreciation tightened the monetary vice. The Government then rubbed salt in the industrialists' wounds by eroding their fiscal advantages vis à vis the personal sector. Capital allowances were phased ont -which means that British industry is now highly vulnerable to inflation - while relief on mortgage interest, and capital gains in the housing mar-ket, were left untouched. Now, with more emphasis ou

exchange rate stability, a weakening balance of pay-ments and more deregulation, the wheel has turned once

Higher interest rates are relatively less worrying for industry; net borrowings as a per-centage of the equity of the quoted companies followed by Phillips and Drew, the stock-broking firm, have fallen from nearly 27 per cent in 1979 to 16 per cent last year.

And financial innovation has

provided industrialists with ngenious hedges against volatility, ranging from interest rate caps to all manner of futures and options. In contrast, the personal sec-

tor saw its real stock of liabili-ties nearly double in the decade to the June 1987 election. Its main hedge against interest rate increases has been the rising price of houses.

That, of course, cannot be used to pay interest, on which tax relief stops at £30,000; and the rise in values, anyway, reflected pressure of money, much of it foreign. As the Governor of the Bank remarked not so long ago, there is no economic law that house prices

only go up. But there is ultimately some level of interest rates at which domestic demand will flag and house prices may even fail. Nohody can be quite sure where – which is partly why interest rate hikes are to Mr Lawson's regime as Chancellor what mini-budgets were to Mr

Denis Healey's.

Monetary buffs sometimes refer to the financial system's increasingly sluggish response to interest rate shocks as a lack of "crunchiness", which started when fixed rate lending gave way to variable rates. That change involved a trans-fer of risk from lenders to bor-

Yet the sponginess of the financial structure is far from absolute, because lending hankers cannot ultimately escape the misfortunes of their over-indehted customers. If sterling were to go into "free fall," it would be a case of slow burn to a bigger crunch. The naw financial vulnera-bility of the personal sector relative to the voteless corporate

sector also means that the political crunch comes faster and with it, pressure for reregulation. So far the Government has

resisted calls for credit con-trols. But interest rate hikes at the rate of six a summer surely undermine the Thatcher case against currency re-regulation via the European Monetary System (EMS).

For if — as we have just seen

Britain has precious little monetary autonomy outside the system, loss of sovereignty is a poor argument against going in. And - a little personal revisionism here - fears that the Germans will impose a deflationary impulse via the RMS mechanism must now be measured against Mr Lawson's new-found penchant for the monetary hair shirt.

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Carriers of the disease called enterprise

From Mr D.K. Macrae. Sir, As the source of infection for Ferranti's "alarming attack of enterprise" (Letters, September 5), we would like to endorse Sir Derek Alun-Jones comments on the CT2 industry. PA Technology first con-ceived the idea of a public telepoint system some 10 years ago. The idea was presented to the Post Office (as it then was), and in a report (in 1981) to a consortium of European telecommunications authorities.
On the basis of market research, the report stated: the personal service could attain a maximum penetration of some 50 per cent of the population, or about 150m units Europe-wide".

Big business, by anyone's standards. But none of the telecommunications authorities were enthusiastic enough to pursue the idea — and at that time nothing could be done without the say-so of the tele-communications authorities.

More recently Ferranti, hav-ing evaluated the opportunities for cellular, came indepen-dently to the same conclusion: that there was a need for a low cost system to address the mass market which, for technical reasons, cellular could never reach. Ferranti commis-sioned PA to develop it. The system demonstrated at

Ferranti's launch in November . 1987 is still the only one shown in public. Ferranti's foresight

in investing in this technology has given it a significant lead. If has also shown others that there is an important new market which could be larger than

cellular in a few years. Without Ferranti's lead, this service would not exist. It would be ironic if regulatory delays had the effect of punishing pioneers for rashly point-ing out new opportunities. Research and development

spending is essential to hold the UK's technological head above water, and to create the opportunities new business depends on. It would be a pity to discourage the goose that lays the golden egg.

D.K. Macrae,
PA Technology. Cambridge Laboratory, Melbourn, Royston, Hertfordshire

From Sir Eric Sharp. Sir, We wish emphatically to endorse the principle reflected in the letter from Sir Derek. Alun-Jones, chairman of Ferranti (September 5), that inven-tors of "new" equipment incor-porating "new technology" should be permitted to offer the services for which the equipment was designed. Our medium for this mes-

sage is Sir Eric Sharp, chair-man of Cable and Wireless. J.L. Baird, T.A. Eddison, J. Pender

TUC vote could put much public sector work out of bounds

From Mr Peter Ashby.
Sir, Your leader on training the unemployed (September 2), rightly says that Employment Training (ET) should be viewed as an "introduction agency to put employers and the long-term unemployed back on speaking terms". It is because of this that the Government must act quickly now that the Trades Union Congress (TUC) has voted to with gress (TUC) has voice of the draw co-operation from ET. There can be little doubt that a TUC campaign of non-co-operation would place large could the Government do any-

swathes of the public sector.
out of bounds to the long-term
unemployed. This raises a profoundly moral question about
the exercise of union power. is
it right that unions representfing those already in work
abould be able to deny the
long-term jobless even an
introduction to work — especially when we nearly all agree cially when we nearly all agree that without such an introduction they could be permanently trapped into unemployment?

thing about it? Yes. It could follow the Swedish practice, and place a statutory duty on major public employers to offer at least work placements to unemployed people on ET.
The Government needs to act now precisely because ET is voluntary. If much of the public sector is excluded from ET, a dangerously high propor-tion of work placements will be low quality. And unemployed people will "vote with their feet" and leave these schemes — in which case, by the end of this year the clamour for ET to

prove irresistible.

Mr. Norman Fowler, Secretary of State for Employment, appears sincere in his belief that ET should be genuinely voluntary for the "consumers."

The challenge to him from the the TUC is simply this: to avoid compulsion for the conavoid compulsion for the consumers he will have to bite on the bullet of compulsion for the major public providers.
Peter Ashby,
St George's House,
Windsor Castle,

Critical paths in conventional defence

From Mr Grahame Leman.
Sir, Professor Neild (Letters,
August 30) is still misleading
himself by thinking, in his gadget-minded way, about weapons rather than about operations. This is much like someone who thinks that photographs are taken by cameras rather than made by photogra-

What we are all worried about (particularly if we live between the Elbe and the Rhine) is that the Red Army of the Soviet Union looks capable of making a very deep thrust into Western Europe, threatening early decisive results, and

forcing us into early use of stalled when his battle-groups ran out of fuel and ammunition.

same way about us. Leaving the science fiction aside, all we need for the time being is to limit this specific threat of deep penetration and early decisive results. This we could cartainly do (other things being equal) by agreeing to limit, under verification, the logistic capability of our forces, so that they simply could not make such penetrations. Even Rounnel, the German general known for his victories as commander of the Afrika-Korps in the Second World War, was

Without any other change, this would leave the forces on both sides as effective as they are now for defence, very much less effective for attack which is enough to start wind-ing down the tension. Conventional arms limita-

tion talks have been stalled for years by interminable techni-cal arguments about weapons. Shifting the focus from weapons to operations could be a way of breaking the logiam. Grahame Leman 11 Shakespeare Road, W3

Foxed.

From Mr Angus Phonr.
Sir, Why is it that there is not a fax machine installed in every post office in the UK? Angus Phaur, Mount Meru, Marsham Lane, Gerrard's Cross, Buckingham-

From Mr H.A.F. Sandbach. Sir, No longer postal relay delay: simply POST, spelt STOP. H.A.F. Sandbach,

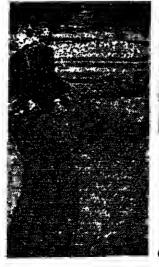
showing the way ahead.

INTERIM RESULTS TO 30th JUNE 1988 Half year Half year Year 1988 1987 Increase 1937 Sales £737.9m £582.3m 26% £1189m Operating profit before interest £92.9m £73.5m £154m Profit before tax £86.0m £68.8m £144m £42.9m Profit after tax and minorities £54.7m £93m Earnings per ordinary share 15.1p 13.0p 16% 27.1p 2.50pDividends per ordinary share 2.0p 6.0p

Half year profit up 25%

despite the adverse impact of exchange and with recent acquisitions further

"All divisions contributed to the record Given a continuation of the current interim results which were achieved healthy level of worldwide business activity, rate movements. Our core businesses contributing to profit, the prospects for are now more strongly placed in the Group remain good. "
growth areas. Extract from Chairman's Statement











COLOURS - CERAMICS - CONSTRUCTION - CASTINGS - ELECTRONICS - AEROSPACE - PRINTING

Copies of the interim report can be obtained from the company secretary at Cookson Group plc, 14 Greekern Street, London ECZV ZAT



FINANCIAL TIMES

Friday September 9 1988

have dropped and he has

appeared even more dour than usual in public.

belatedly signalled that he saw the need to kickstart a cam-

paign which had been trund-ing along too methodically for months. He announced that Mr

John Sasso, since 1982 his closest political adviser, was rejoining the campaign as a

The re-appointment of Mr Sasso, who quit a year ago after releasing a so-called "attack video" of Senator Joseph Biden – then Dukakis' rival – hasbeen widely pres-

ented as an indication that the Dukakis campaign has rehired

its own attack dog.

That Mr Sasso is a canny political streetlighter nobody doubts. But he is much more

than that. In Boston he enjoys

a reputation not unlike that of Mr James Baker, chairman of the Bush campaign, in Wash-

friends in Boston argue that, were it not for Mr Sasso's abil-

ity quickly to get to grips with substantive policy issues and

Even some of Mr Dukakis's

Lsst week Gov Dukakis



Baker sets a fast pace for the opposition

Stewart Fleming reports on the teams which mastermind US political campaigns

OVERNOR Michael
Dukakis, the Democratic presidential candidate, was pictured last weekend on Ellis Island in New
York backers York harbour where millions of immigrants, including his 85-year-old mother who was by his side, first set foot in the

land of opportunity. Senator Dan Quayle, the Republican vice presidential candidate, paid his first visit to the Statue of Liberty. Vice President George Bush

the Republican presidential candidate, saw the American Olympic team off from Disneyland, posed before a couple of aircraft carriers and told his audience: "I would not be surprised if (my opponent) thinks a naval exercise is something you find in Jane Fonda's wor-kout book."

Such "sound bites" are carefully prepared in advance in the hope that they will be shown on the national television news programmes. Deci-sions about the sites at which a candidate will speak and tha words which he will use to try and capture the television headlines and identify his cam-paign with symbols which evoke a gut response from voters, are also the subject of

detailed planning.

The decision-makers are the campaign advisers and it is their influence which has been increasingly in evidence in the past few weeks as the US presidential campaign has heated

Throughont most of that period Mr Bush's experienced crew has been running rings around the opposition.

President Ronald Reagan's political team has set the pace for eight years in exploiting the power of television as a weapon in the political arena. Now many of them, including White House chief of staff and



campaign manager in 1984, are working at Mr Bush's side. They have polished up and

disciplined his speaking style

his voice miraculously deepened a few weeks ago. They
successfully muted the controversy over the selection of Sen-

ator Quayle as Mr Bush's run-

ning mate. And they skilfully lured the too-earnest Governor Dukakis into a debate about

whether or not be is a true patriot by attacking his deci-sion 11 years ago to veto a Mas-sachusetts hill which would have required schoolchildren

to recite the Pledge of Alle-

giance.
This manoeuvring has given
Mr Bush the npper hand in the

election campaign, an advan-tage he is already putting to

good use. His campaign man-ager Mr Baker has been able to

press Mr Paul Brountas, his inexperienced negotiating part-ner and Dukakis campaign chairman, to accept that there will be only two televised debates between the Republi-

can and Democratic candidates, not four for which Mr

Dukakis was pressing.

Mr Dukakis's chance of

As tha US presidential election moves into top gear the influence of the candidates' campaign advisers are increasingly becoming more evident. For most of the latest hase of the campaign Vice President Goerge Bush,

advised by Mr James Baker, left, has been run-ning rings around his opponent Michael Dukakis who is advised by Mr John Sasso, a canny political streetfighter.

using his wider television experience to turn the debates to his advantage has been diminished further, for Mr Baker cleverly has been making Mr Bush the underdog in the debates and raising expecta-tions for Mr Dukakis, a dangerous position for the Governor given Mr Bush's strong perfor-mance in debates against his Republican rivals earlier this

Some of the tactics have been loudly booed by one group of observers, the news media which occupies the curious position of both messenger and a sort of umpire. Others are observing that, whatever Mr Bush may be saying, it is nowhere near as harsh as the charges being levelled by some of his supporters. One claimed that Governor Dukakis's wife participated years ago in the ceremonial burning of the American flag. The charge was promptly denied but no apol-

ogy was forthcoming.

Mr Bush's self-described "pit hull" style of campaigning seems to have worked. Gov Dukakis has been thrown onto the defensive. His poll ratings a particular proposal to common ground, the stubborn and at times politically insensitive. Governor would not be where he is today.

he is today.

A man who is clearly at ease with other people and happy to put them at ease as he takes their measure, Mr Sasso is very different from the cool and stuhborn Mr Dukakis. Perhaps in part because of their different personalities, ha different personalities, ha enjoys a close personal rela-tionship with the Governor, tionship with the Governor, one which will allow him to give Mr Dukakis the frank, even hrutal advice he will undoubtedly need at times in the weeks ahead.

His arrival, in effect to take charge of the Dukakis campaign, has come at a time when it was becoming increasingly clear that the strengths

ingly clear that the strengths which carried Mr Dukakis to the Democratic nomina-tion - dogged determination, a strong organisation and an unrivalled fund-raising capac-ity – would not be enough to compete effectively against Mr

"Sasso is a plus, but there is a limit to what an individual can do," says Mr James Reichley of the Brookings Institution, a Washington think tank. As Mr Bush's unfortunate selection of Mr Quayle as his running mate demonstrates, paring too much sitention to paying too much attention to pollsters and campaign advis-ers has its risks too.

But in what promises to be a closely-fought election campaign, and particularly one which lacks the sort of sharply-defined battle over issues which marked the Rea-gan/Carter election in 1980 for example, mastery of election-eering tactics in the television age is vital. It has helped to give Mr Bush momentum. The challenge facing Mr Sasso is how to win back the initiative.

Ultramar heads for the Golden State

The market does not seem to like the new go-shead Ultra-mar, to judge from the recent 25 per cent fall in its share 25 per cent rait in its snare price. The costly Blackfriars deal a fortnight ago was deemed had enough, but yesterday's \$440m purchase of a Californian refinery still worse. The main objection was the financing a rights lasue was-most unwelcome in yesterday's nervous market, while the prospect of gearing back at 100 per cent must have dismayed those who have witnessed the slow route down. Still, Ultramar ehould not

Still, Ultramar chould not despair of winning its share-holders round (although the cancellation of the egm to approve the deal, because of the postal strike, was not a good way to begin). The refinery throws off enough cash to bring gearing down fairly smartly, and the purchase rebalances Ultramar's operations towards the downstream. towards the downstream, which seems wise at a time when crude prices are so weak.
California is apparently the
place to run refineries: crude
oil is plentiful, demand is
growing faster then in the rest
of the country, capacity is tight and anvironmentalists are making it difficult to add any

Such advantages have proba-bly not escaped the majors, but as Ultramar has already lost enough money in the US to avoid paying tax there until the mid 1990s, it could afford to ontbid them. Of course, the whole thing would coma unstuck if this proves a another false dawn for refiners. It is encouraging that Sir Ron Brierley evidently likes the deal, but then risks are not something he has been fright-ened of in the past.

Parker Pen

It is difficult to judge what sort of premium Pentland Industries would have had to ndustries would have had to pay if the Parker Pen flotation had gone ahead, but a £193m price tag seems on the high side. That said, it still looks a good deal for Pentland, whose shares have underperformed i third over th last year. With three quarters of its earnings coming from the stake in Reebok, worries about its heavy exposure to the US dollar — and to a market which is showing signs of slow-ing down sharply — explain why Pentland's shares are sell-ing on a prospective multiple of little more than 6.

Parker Pen is a long overdue diversification move, and while Pentland's skills in maximising the returns of hrandedbusiFT-A Olls Sector

nesses may be overrated, its knowledge of the Far Eastern and US markets could prove helpful. Meanwhile, Pentland'e shareholders can draw some comfort from the fact that their own management owns.
over half the company. Combined with nil gearing and net
cash of £50m, this must mean
that a rights issue is out of the

Ruberoid Tarmac's counterbid for

Ruberoid presents the market with something of a puzzle. Doubtless, Tarmac will have taken soundings on whether the planned disposals in roofing manufacture will satisfy the OFT. But much depends on how broadly the market is defined, and whether the roofing contracting basi-ness - where no disposals are planned - will be examined as well. Raine, meanwhile, has refused to enter a bidding war which it could not hope to win; and it is further playing on the market's nerves by hinting that its own bid will lapse in just over a fortnight anyway, since in the present market the underwriting for the cash alternative could not be renewed on

Indeed, there is a hint of spoiling tactics about the approach from Tarmac, which would no doubt prefer the sta-tus quo at Ruberold to the more aggressive competition which Raine's management might supply. The market, figuring to do. At yesterday's close of 265p, Ruberoid stands 11p above Raine's offer, and 15p below Tarmac's. Faced with the worst-case possibility that Raine might take its profit and Tarmac then be referred, the cautious investor could do worse than take Raine's money and run.

Cookson If the market had been in a gan's rescue.

listening mood yesterday, it should have found Cookson's interim figures rather encourinterim figures rather encouraging. Not only was the 25 per
cent rise in pre-tax profits better than expected, but there
was a timely improvement in
their composition. The contribution from Tioxide was partly
held back by production problems, but there is plainly a
slow-down in the almost slow-down in the almost embarrassing growth of what is, after all, a pure undifferentiated commodity chemical. Profits from Cookson's own operations, meanwhile, were up by two thirds, with a stri-king and probably sustainable improvement in trading mar-

gins.

The shares have been weak in recent months—falling back almost to their post-crash low relative to the market—and at 247p are on less than 8 times this year's carnings. Partly, this is due to uncertainty about Cookson's plans for Johnson Mathey, which remain impenetrable. The effect though is to drive which remain impenetrate.
The effect, though, is to drive
the rating below even that of
Cookson's partner in Tloxide,
ICL The company is not
remotely as cyclical as it was
in 1980-81; but as ICI also finds at present, the market wants to see this demonstrated in prac-tice before it fully believes it.

Morgan Grenfell

The most worrying aspect of Morgan Grenfell's half year results was not the more than halving of profits or the unchanged dividend, hut the talk of "containable losses" in its securities business. On the assumption that the company lost upwards of £10m on its UK gilts and equity operations in the first half, and if the present wretched conditions in the securities markets continue, then Morgan Grenfell looks set to lose more on this side of its business than it paid out in dividends last year. The hope must be that trad-ing volumes will eventually side of the trad-

pick up, and that the expensive price war now under way

subside; but the longer these conditions last, the more questionable is Morgan's strategy of becoming an integrated investment house. Given management's undoubted commitagement's undodoted commit-ment in this area, shareholders can expect little joy over the next year. The shares, at close to 13 times prospective earn-ings, are trading on the rather uneasy assumption that some one will one day ride to Mor-

US accuses Iraq of using chemical weapons

The US yesterday accused Iraq of using poison gas against Kurdish rebels and said it had raised the issue with the Iraqi Government, Reuter reports

from Washington.
"As a result of our evaluation of the situation, the United States Government is chemical weapons in its military campaign against Kurdish guerrillas," US State Department spokesman Charles Red-man said. "We condemn this use of chemical weapons (and) we have expressed our strong concern to the Iraqi Government." He said the use of poi-

son gas was "abhorrent." US Secretary of State George Shultz was to raise the issue later yesterday at a meeting at the State Department with Iraqi Minister of State for Foreign Affairs Saadoun Hamadi. Mr Redman declined to iden-

tify the chemical weapons

Washington had based its con-clusion, saying that the US would not publicly discuss its sources of information. Iraq has denied using poison

but has admitted using chemical weapons in its war against Iran, in retaliation, it has said,

Iraq launched a major offen-sive against rehel Kurds in northern Iraq on July 19, the day after Iran accepted a UN ceasefire resolution in the Gulf war. Since then, more than 100,000 Kurdish guerrillas and civilians have been estitimated to have fled across the Turkish

Mr Redman, asked if he would use the word "genocide" to describe Iraq's campaign against the Kurds, declined to do so.

Washington is very concerned about the treatment of the used, the extent of their use, or Kurds, who want political the evidence upon which autonomy and supported Iran

week it was prohing allegations about chemical weapons. While the State Department

said publicly last week and again three days ago that it had no conclusive evidence of the gas attacks, officials were saying privately they were con-vinced the attacks had taken

Officials say Iraq's offensive against the Kurds and espe-cially its use of chemical arms against them have complicated ties between Washington and Postbleta Baghdad.

Baghdad.
Washington had condemned
Baghdad for using polson gas
against Iran, and Mr Redman
said yesterday that the evidence of gas attacks against
the Kurds indicated an ominous trend.

Not only was poison gas being used, he said, but several nations were seeking to acquire it, buying the needed chemicals. He did not name the



President Ronald Reagan, yesterday, meets with members of the Republican Congressional leadership at the White House.

Delhi forecasts growth rate of 9% this year

By David Housego in New Delhi THE INDIAN economy should ing the spring of next year a achieve its highest growth rate favourable time on the basis of this year in well over a decade, with real gross domestic product rising by 9 per cent, the Reserve Bank of India, the country's central hank, fore-

cast yesterday.

The forecast is in line both with unofficial estimates hy the Finance Ministry and with the assessments of private fore-casting institutes. The surge in growth reflects the unexpectedly good monsoon of recent weeks, which follows three years of drought when agricul-tural production declined by 1.9 per cent in real terms.

The rebound in the economy is hound to tempt Mr Rajiv Gandhi, the Prime Minister, to consider an early general elec-tions, notwithstanding the sharp decline in his popularity as reported recently by a lead-ing public opinion poll.

Officials reckon that it takes six months for the results of a good harvest to feed through into an increase in demand for industrial goods - thus makpurely economic criteria. The Central Bank does not take such a sanguine view as the Government over inflation. It also issues strong warnings, as did the World Bank in its

as did the World Bank in its recent report, over the need to cut both the current account and the hudget deficit.

The warning over the current account deficit coincides with the release of figures showing that India's trade deficit for the April-June quarter worsened hy 48 per cent to Rs20.7bn (\$1.45bn) from the same period last year. The sharp widening of the trade gap will increase the pressures in the administration to curtail non-essential imports.

non-essential imports.
On inflation, the Reserve Bank in its annual review of the economy argues for a charp tightening of monetary policy, with the overall expansion of liquidity during 1988-89 to be held below the average 17 per cent for the last three

WORLD WEATHER

London Stock Exchange may be redeveloped

By Clive Wolman

THE London Stock Exchange is considering the redevelop-ment of its almost deserted trading floor as a shopping

Conversion into speciality retail shops of the 25,000 square foot floor, plus another 25,000 square feet of adjacent space on three levels occupied by securities firms' trading offices, is one option now under consideration.

The Exchange began its search to find other uses for its floor 18 months ago, as a result of the dying away of floor trading after the Big Bang reforms of October 1986.

Traders now use screens and telephones for price quotations and share trading.

A committee headed by Mr Andrew Hugh-Smith, chairman designate, is also considering redevelopment as a committee. ering redevelopment as a com-puter centre, servicing primarily the Stock Exchange and securities industry, and as

Argentine general strike sparked by reform plan

By Gary Mead in Buenos Alres

ARGENTINES are due today to stage their 12th general strike since President Raul Alfonsin took office in December 1983.

The strike, set for midday, was called by the General Con-federation of Labour (CGT). A mass rally is scheduled this evening at the Plaza de Mayo in central Buenos Aires, where Mr Saul Ubaldini, CGT secretary general, will call for the resignation of the Government's economic team and for whether the contract of the contract

substantial wage increases.

The general strike comes on top of industrial action throughout the country. Those involved include doctors at public hospitals in Bnenos Aires, municipal employees in Cordoba and schoolteachers in several provinces.
In the last month, postal,

banking, transport and water supply workers have staged strikes for higher wages. Wages have declined almost 10 per cent in real terms since the end of 1987, according to independently compiled figures. Unemployment of 6.3 per cent is at its highest since the first unemployment survey was conducted in 1974.

The immediate spark for the general strike today is the Rad-ical Party Government's so-called *Primovera* or Spring Plan, introduced at the beginning of last month. The CGT leadership regards the plan — which includes an immediate of the plan immediate of the ate 30 per cent increase in pub-lic utility tariffs — as an attack on the living standards of trade

union members.
This comes on top of claims by some 50,000 people in Buenos Aires that they have been now Arres that they have been overcharged by as much as several hundred per cent for last month's electricity bill. The Government has promised an investigation.

The heart of the economic measures was an external to

measures was an attempt to control inflation, and on that they show some success. The figure for September seems certain to drop below the 27.6. per cent for August.



in the Rough Waters of International Financing, Rely on Tokai Bank

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Lawson counters EC tax proposals Continued from Page 1

aged meant that there was lit-

tle prospect of acceptance. But a Commission spokesman noted that two high-level studies hy fiscal experts of the 12 memher states had heen unable to come up with "a credible alternativa" to the

Commission's ideas.
The Commission also expressed surprise that the UK Treasury had chosen to make public its paper, sent "in confi-dence" to Brussels and other EC governments this week, in advance of a September 17-18 Brussels officials claim the

UK paper solves nobody's prob-lems with the Commission tax plans, except Britain's. They note that the convenience for the UK in urging market forces to exert an inevitable down-ward pressure on VAT rates towards low UK levels - hut in excluding the operation of the same forces on tohacco and alcohol excise duties. The UK wants these duties, which are high in Britain, excluded for special health reasons.

David Goodhart in Bonn adds: Mr Lawson's alternative plans for sales taxes in a barrier-free Europe were not

warmly received by the West German government. This is not surprising as the Germans have already let it be known that they are reasonably happy with the Commission's own proposals A spokesman for the Finance

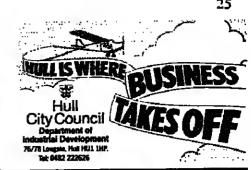
Ministry said yesterday: "Of course wa do not accept all the details of the EC plan but we are relatively relaxed about it." One reason for this positive response is that the West Germans occupy the middle of the

VAT range so they assume that other countries would be harmonising up or down



FINANCIAL TIMES COMPANIES & MARKETS

Friday September 9 1988



INSIDE

Panamanian paradoxes



Paradoxea abound In Panama, not least the slight economic recov-ery despite a two-month bank closure, a flight of offshore funds and a 50 per cent plunge in gov-erment revenues. Politicians are concluding that the closure of the banks may have been

the economy's salvation. The lack of fresh credit, however, may have long—term implica-tions for industry and agriculture. Page 27

Austrians face small revolution It may be the beginning of a small revolution in the Austrian banking community. One proposal is to merge two of the country's major banks in preparation for the single European market and in the process give the domestic capital market a much needed boost. But legal hur-dles must be overcome first. Page 25

Poor relation left high and dry



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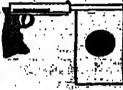
The poor relation among Talwan's state-owned compa-nies, China Ship-building Corporation continues to be a headache for the country's economic planners. A huge interest burden, management difficul-

ties and the global slump in ahipbullding have all conspired to make the once prestige project a major government problem. New business in the West and the establishment of sales bases in the US and Europe may provide part of the solution. Bob King in Taipel reports. Page 29

Rift at aluminium plant

All is not well at the the Asahan aluminium plant, the Japanese-Indonesian joint venture.
Rising ingot prices, improved plant efficiency and growing domestic demand have prompted the indonesian partners to seek a higher production share from the Y411bn (\$3bn) venture. Both sides, however, want to avoid a protracted diapute which could jeopardise. prospects of future profitability at the plant.

Japanese defence strategy



Japan, estimated to have the world's third largest defence budget, has seen spending as a pro-portion of gross actional product rise steadily for the past seven years. Yet

defence has significantly failed to take off as a stock market sector and the occasional bursts. of Interest in defence-related stocks have been short-lived. The political environment has discouraged heavy engineering and electronics companies from becoming too dependent on defence for their livellhood. Page 41:

Market Statistics

Base lending rates ... European options each FT-A indices FT-A world indices London share service. 38-36 London tracked options 48 London trackt options 48 Money markets World commodity prices World stock rekt indices

Jepan Bond Trading Keep Trust Kent ABB Lep Group London & Bishop Nash Industries New Tokyo Inv Trust Nomura Securities Aliled Lyons Anglo American Gold Asset Trust -BTR Dunlop British Syphon ind Burmah Off CH industrials China Shipbuilding Cookson Group

P-E International Pentos Philip Morris Preusseg Reckitt & Colmen Seacon Holdings riendly Hotels Technology Project Tyne Tees Television Wasserstein Perella Slobs and Dandy r Hidge Willam Collins Irving Trust.

Chief price changes yesterday Pilice Lottelass 144
Alianz 155
Herica 45
Herica 45
Herica 23
Fellie 57
Linde 57
Herica (6)
Hillian Volum (6)
Hillian Cond 11
Linde Bank 6
Hillian Res 3
Fellies 57
Fernalis Fellies 5
Fellies 5
Fernalis Fellies 5 File 760
Fallis
Pichalbront 1120
TOKVO (Yen)
Masen
Roles Enc 2910
Chim Sogn 1220
Mutual Cons 1460
Fallis
Symm Shutt 2284
Alberthin St 1146 47 980 — 670 — 1120

Ultramar in \$440m US takeover

ULTRAMAR, the diversifed UK oil company, is expanding its oil refining and marketing operation in California with the \$440m acquisition of the Wilmington Refinery in Los Angeles County,

to be funded in part by a £130m (\$221m) rights issue.

The refinery will be boited on to a profitable petrol marketing operation mainly in central and northern California, where Ultra-mar has 270 high volume service stations and 16 truck stops under

stations and 16 truck stops under the Beacon name.

Announcement of the deal and rights issue badly affected Ultra-mar's shares, which closed off 31½p at 212½p in London trad-ing. It follows by just two weeks Ultramar's acquisition of Black-friats Oil & Gas for £111m cash. Ultramar said the refinery acquisition was aimed at firmly establishing the US West Coast operation as a fourth core business of the group. Ultramar's other main operations include liquified natural gas production in Indonesia, oil exploration and production in the UK, and oil refining and marketing in East-ern Canada.

Ultramar acquired the Beacon

By Andrew Hill in London

TARMAC, UK construction and

huilding materials company, emerged yesterday as a counter-bidder for Ruberoid, launching a £141.3m (\$241m) recommended

cash offer for the roofing materi-

Tarmac's offer tops the hostile bid from bousebuilder Raine Industries, which valued Ruber

oid at £128m. However, there

were suggestions yesterday that Tarmac may encounter monopo-lies difficulties. Tarmac said it had been inter-

ested in Ruberoid for about 18 months and had waited for the company to reveal its bid defence

before offering 280p for each ordinary share. There will also be a

By Tim Dickson in Brussels

BELGIUM'S world famous tennis

racket manufacturer, Donnay,

last night was the subject of a bitter legal and political row after

the bankrupt company's receiver had surprisingly rejected a res-cue consortium led by the youth-

ful French entrepreneur, Mr Ber-

nard Tapie. In a move which took most

observers by surprise, the receivers opted instead to accept the BFr 150m (\$3.9m) offer of another

Franco-Belgium group led by French businessman, Mr Jean-Jacques Frey, and his Belgian partner, Mr Patrick De Puydt. The receivers said that the

Frey-De Puydt package, which provides a guarantee for 150 of the group's 350 workers, was the only one which met all their con-ditions.

The decision is a clear setback

for Mr Taple and the other associates in his consortium, which includes the leading Belgian business figure, Mr Albert Frère (head of Groupe Bruxelles Lam-

bert) and the regional Govern-ment of Wallonia, which had respectively hoped to end up with

20 and 29 per cent of the capital

als group.

ble refinery in California last

year.
The Wilmington Refinery was the early 1980s, built mainly in the early 1980s, and has a 100,000 barrel per day capacity for processing crude oil and partially refined feedstocks.

It produces an 80 per cent yield of PRE-TAX profits at Burmah Oil, the Inbricants and fuels

group, rose by 8 per cent in the first half of the year to £49.4m (\$84.1m). Turnover rose from £810.3m to £681.1m. Underlying the improved performance was a 18 per cent rise in inbricants volumes sold and on the Control broad under the Castrol brand. Meanwhile, Enterprise Oil, Britain's biggest independent

light petroleum products, includ-ing unleaded petrol, diesel, and jet fuels, which tend to be more

Its sophisticated equipment is also capable of handling cheaper, heavy crudes that are available in California and can meet strin-gent local environmental regula-

businesses in 1981, and completed the closure of a small unprofita-

Speculation that Tarmac, one of Ruberoid's competitors in the roofing materials market, would enter the vociferous battle between Raine and Ruberoid as a

white knight began on Tuesday, when Tarmac bought a 28 per cent stake in Ruberoid at 256p, 2p higher than Raine's cash offer.

Yesterday Ruberoid's shares fell 10p to 265p in a depressed market and Tarmac increased its

stake to about 5 per cent. Raine, since launching the hid

on July 26, has built up an 18.6 stake in Ruberold. If it decided to

sell the shares, it would realise a gross profit of just under £5m,

compared with the estimated cost of mounting the bid of between

Donnay rescue offer rejected

Tarmac launches £141m cash

counter-bid for Ruberoid

would boost gearing of the com-pany to 83.5 per cent on net assets of £827.5m, although the cash flow from the refinery would help to reduce this rela-tively high level of indebtedness. The refinery has a turnover of \$373m in the first half of the year,

oil company, reported a 78 per cent surge in net profits to £43.4m, while earnings per

share rose from 8.5p to 15.1p.
The improved performance came despite falls in both turnover and gross profits, which were due to lower oil prices. Tarnover fell from £111.9m to £98.9m, while gross profits declined by nearly £5m to £30.8m. Detalls, Page 31

and an operating profit of \$34m. Operating cash flow came to

The rights issue will be offered to shareholders on a 6-for-25 basis at 200p per new ordinary share. It has been fully underwritten with the exception of 13.7 per cent of the issue which is being offered to Sir Ron Brierley, the New Zea-land businessman, in respect to his holding in the company. Sir

Ron has agreed to take up the subscription in full.

Although the acquisition and rights issue would normally have to be approved by shareholders, the London Stock Exchange has waived this requirement because of the postal strike which has made it impossible for Ultramar to convene a valid extraordinary

general meeting.

The earlier purchase of Blackfriars Oil & Gas had the effect of doubling Ultramar's exploration acreage on the UK continental shelf. That deal was aimed at establishing the North Sea operation as a fully viable business by

making up for an expected decline in Ultramar's oil production in the first half of the 1990s. Ultramar had a string of financially difficult years, but in 1987 completed a process of trimming down the far-flung operations of the group to a more manageable core of activities.

Although Ultramar has fre-quently been tipped as a likely takeveover candidate because of the lack of integration of the group, the company argues that its activities are financially complementary and give the group as a whole more resiliance. Lex, Page 24

hits out at Pernod

By Lisa Wood in London

Raine said yesterday that it believed its offer was still gener-FII Fyffes, the Dublin fruit group which holds a 20 per cent stake in Irish Distillers yesterday claimed that Pernod Ricard, the French drinks group, was in contempt of court for apparently publicising material from affidavits Pernod had submitted to the Dublin High Court ous, taking into account the risk of the Tarmac bid being referred to the Monopolies and Mergers Commission. It said it would not raise its basic bid terms, but might extend the closing date Tarmac, to counter the possi-bility of a referral to the monopo-lies commission, has said it will Dublin High Court.

bally promised its stake in Irish Distillers to the French company last Saturday. According to news-paper reports published yester-day, Pernod is arguing that an FII Fyffes director pledged the stake to it and said: "We are all partners now."

FII Fyffes has said no affidavits of its own have yet been lodged on the advice of counsel.

On Monday Pernod Ricard won a temporary injunction against FII Fyffes, restraining it from selling its stake to anyone.

FII Fyffes

Pernod is bidding against Grand Metropolitan of the UK for Irish Distillers and the FII Fyffes stake could be crucial to the out-

Pernod claims FII Fyffes ver-

FII Fyffes, which did not sign an agreement over the stake with Pernod Ricard on Sunday, said yesterday that because of the proceedings it could not respond to allegations made by Pernod except to state that they were both inaccurate and incomplete.

earnings fall to £22m in first half By David Lascelles, Banking Editor, in London MORGAN GRENFELL, the segments of the business such as London merchant hanker, saw its earnings more than halved in the first half of this year because of offshore banking and commercial property performed well.

Some restructuring of the

Sir Peter Carey (left), chairman, and Mr John Craven, chief executive: hit by tronbled financial markets

Morgan Grenfell

the troubles of the financial mar-

The group earned £21.9m (\$37.3m) pre-tax, down from £52.2m in the first balf of last

year. The dividend is being main-

tained at 3.85p. The result was at

the low end of market expecta-tions, and Morgan's shares closed

down 24p at 25cp.
One of the main reasons for the downturn was a loss on securi-

ties trading, principally equities.
Morgan gave no details, but it is
believed that last year's profit on
equities of £5m was transformed

into a loss of a similar size. There was also a smaller loss on the fixed income business, Sir Peter said the losses were "containable". Morgan's US brokerage

Corporate finance, one of Morgan's strong points, halved its contribution because of the decline in the volume of underwritings. However fee income

from the arrangement of mergers and acquisitions beld up. Over the period, though, Morgan fell from first to third place in the

merchant banking league which measures the value of completed

bids for publicly quoted compa-

also affected the contribution

from investment management,

though the volume of business

was increased with the acquisi-tion of new clients.

Treasury operations were ahead of expectations, and other

The weakness of the markets

operation remained profitable.

group is taking place in the Far East. Morgan has sold its New Zealand subsidiary hecnuse it was peripheral, and the manage-ment of its Australian operation However, the results were an improvement on the latter part of last year which saw the October market crash, and Sir Peter is to be changed and strength-Carey, chairman, said yesterday that Morgan had a new strategic plan which gave him confidence about the future.

Mr John Craven, chief executive, said that Morgan was reviewing costs and had managed a small reduction. The head count of 3,000 is about 200 below

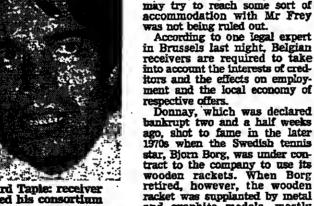
Mr Craven said Morgan remained strongly committed to building up its securities side despite the losses. He believed that Morgan should evolve into an integrated investment bank on the US model with strong on toe US model with strong securities and corporate finance capabilities. "The big prizes will go to the integrated bouses", be said.

Although Morgan was behind some of its competitors because it bad decided not to buy a big securities firm at the time of der-egulation of the London markets in 1986, he argued that Morgan was still strongly placed because it had made a much smaller outlay on goodwill than other

Development costs were now passing through the profit and loss account where they could be better controlled. The operation l been expanding in able direction.

Sir Peter said Morgan's main goals now were to bring equity dealing into profit, to control costs, and reorganise the over-seas operations, particularly in Europe where the planned integration of the market hy 1992 held out good husiness possibili-

Lex, Page 24

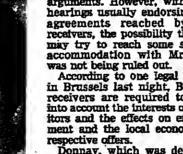


that the Tapie consortium had "significantly increased" its offer and through the transfer of new production to Donnay's Convin headquarters in southern Bel-gium was trying to safeguard 200

of the alling company.

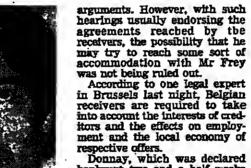
Mr Tapie's team had been widely expected to win the contest last week when the both the regional Government and the company's unions threw their weight behind his initiative. In a statement yesterday the regional Government amounced





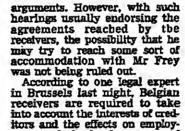


full-time jobs.
However, its chances of success are likely to depend on a court hearing scheduled for Monday which, under Belgian law, is called to give its approval to the



receivers' actions.

Mr Tapia, who said yesterday that he alone had an industrial solution to the problems of the company, is expected to appear before the trihunal to put his



sell its British Hydroflex roofing

felt business as a going concern. Ruberoid, which would join Tar-

mac's industrial products divi-

sion, would dispose of its Vulcan-ite roofing felt subsidiary.

Tarmac would neither confirm nor deny that it had approached the Office of Fair Trading to dis-

itors and the effects on employ-ment and the local economy of Donnay, which was declared bankrupt two and a half weeks ago, shot to fame in the later 1970s when the Swedish tennis

and graphite models, mostly manufactured in low-cost countries in the Far East. Donnay moved late to get into this market. It has spent large sums developing new products and diversifying into other areas, but it is widely seen as having

euffered from poor marketing and a shortage of cash. Mr Frey's group, meanwhile, concentrates on sports goods and distribution, notably in the east of France. Mr De Puydt recently took over the Belgian company. Cristalleries du Val Saint-Lan bert, and also owns a central heating company and food and property interests.

Blow to thrift bail-out loan notes

By Anatole Kaletsky in New York

leaders yesterday added to the misgivings surrounding the country's beleaguered savings and loan industry. They rejected a call from the industry's chief regulator to put the full faith and credit of the US Government behind the loan notes issued by the financially overextended Federal Savings and Loan Insurance Corporation.

The loan notes, which have been issued in growing numbers to help finance the esaclating costs of S&L ballouts, have met with a poor reception from accountants and financial institutions, because of doubts about FSLIC's

Certified Public Accountants such action. Mr Fernand St has questioned the loan Federal Home Loan Banks, Wall, saying that the FSLIC which are the lenders of last was asking for the "Federal

CONGRESSIONAL resort to the S&L industry, have refused to accept FSLIC notes as collateral for cash

Yesterday, in a series of heated exchanges before the House of Representatives Banking Committee, Mr Danny Wall, chairman of the Federal Home Loan Bank Board, called on the House to pass a resolution which would give FSLIC notes the unequivocal backing of the US Government.

The Senate passed such a motion last month, but simultaneously voted to place a cap of \$11bn on FSLIC's ability to issue such notes.

Several key members of the long-term solvency.

House panel, however,
The American Institute of strongly objected to taking Germain, the committees' value and some of the chairman, castigated Mr

Government's gold credit

Mr Charles Schumer, another leading Congressman, noted that the FHLBB had claimed to Congress that it already had sufficient funds to resolve the thift industry's problems. This was contradicted by the request for Congress to back additional loan notes, he said.

In separate testimony, however, Mr George Gould, the Treasury's under-secretary for monetary affairs, said that the Reagan Administration already viewed FSLIC notes as being "money-good" and having the full backing of the US Government. He nevertheless added that the Treasury would like to see a public statement from the FHLBB undertaking not to issue a certain amount of promissory notes until there was some improvement in its cash flow.



Ultramar PLC

On 7th September, 1988 Ultramar PLC's subsidiary, Beacon Oil Company, entered into an agreement to purchase the business and operations of the Wilmington Refinery in Los Angeles County, California for \$440 million (£259 million). The funds required to implement this acquisition will be raised in part by a 6 for 25 rights issue of 67,076,504 ordinary shares at 200p per share, to raise approximately £130 million (net of expenses).

Listing Particulars given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 have been delivered for registration to the Registrar of Companies in England and Wales in accordance with Section 149 of that Act and, together with provisional allotment letters, are expected to be despatched to shareholders on 14th September, 1988.

Until then the listing particulars are available for collection from Morgan Grenfell & Co. Limited, New Issue Dept., 72 London Wall, London EC2P 2AX and from Ultramar PLC's office at 141 Moorgate, London EC2M 6TX.

9th September, 1988

INTERNATIONAL COMPANIES AND FINANCE

Austrian banking faces shake-up

Judy Dempsey on merger plans which could trigger radical changes

RIGHTS ISSUE

Special receiving arrangements

The latest time for acceptance and payment in full or as to half for the Rights Issue of new ordinary shares in Australia and New Zealand Banking Group Limited is 5.00 p.m. on Friday, 9th September, 1988. Completed provisional allotment letters are due to be received at Hill Samuel Registrars Limited, New Issues Department, 6 Greencoat Place, London SW1P 1PL by that time.

A Z Australia and New Zealand

Banking Group Limited

Due to current postal delays, arrangements have been made for certain branches of TSB England & Wales pic and TSB Scotland pic, whose addresses are set out below, to act as additional receiving centres.

Duly completed provisional allotment letters together with remittances will be accepted if they are lodged before 3.00 p.m. on Friday, 9th September, 1988 at any of the following branches of TSB England & Wales ple and TSB Scotland ple.

Liverpool Imperial Buildings, Dale Street Birmingham 301 Broad Street Bristol - City Office Manchester 43 Piccadilly 35 High Street Newcastle upon Tyne Brighton 16-18 New Road 25 Grainger Street Cardiff Norwich 6-12 St. Andrews Street 1 Queen Street Plymouth Edinburgh Sheffield Exeter 103 Norfolk Street & Redford Street Slough Glasgow 177 Ingram Street 20-22 High Street Southampton **Ipswich** 415 Shirley Road 24 Lloyds Avenue Tunbridge Wells 4-6 Monson Road 69 Albion Street York Leicester Sr. Helens Square 17 Horsefair Street

Provisional allotment letters are lodged at shareholders' own risk.

This notice is issued by Australia and New Zealand Banking Group Limited, a member of The Incestment Management Regulatory Organisation Limited.

ANZ

TRINIDAD AND TOBAGO MONDAY SED OCTOBER

For a full editorial synopsis and advertisement details, please contact MIGEL BICENELL on 01-248-8000 ext 3447 or write to him at: Bracken House, 10 Cannon Street, London EC4P 4BY.

FINANCIAL TIMES

Royal Trustco Limited U.S. \$150,000,000

Floating Rate Subordinated
Capital Debentures Due 2885 Capital Debentures Due 2885
Notice is hereby given that the rate of interest for the six month period 9
September 1988 to 9 March 1989 has been fixed at 8.90 per cent. The amount payable per U.S. \$10,000 Note on 9 March 1989 will be U.S. \$447.47 against Coupon No. 5. The amount payable per U.S. \$100,000 Note will be U.S. \$4474.72 against Coupon No. 5.
Bank of Montreal as Agent proposal to merge two of Austria's main

change the face of the country's banking and in the process provide the local capital market with a much-needed Ahead of 1992 and the formation of a single European Com-munity market, Austrian bankers are growing anxious. They want more competition and more flexibility in the banking

more flexibility in the banking system. They want more incentives for the bourse and more scope for the capital markets.

A shake-up of the savings banks, which the merger could trigger, forms part of these demands. The plan, still in its infancy, would lead to the merger of the Oesterreichische Laenderbank, the country's third largest commercial bank. third largest commercial bank, with the Zentralsparkassee und

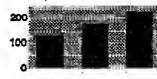
Kommerzbank or Z. Austria's largest savings bank.

Both banks are very different animals. Laenderbank, with total assets in excess of Sch205bn (\$15.8bn), has undergone a substantial restructur-ing since 1984 in recent years the state's shareholding has been reduced to 53 per cent. Yesterday the bank announced a Sch420m rights issue and confirmed that a secondary offering of shares early next year would cut the state hold-

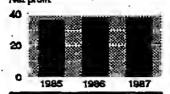
ing to 51 per cent. Under Austrian privatisation law, the state must retain a

Schneider to

Laenderbank Sch Million Net profit



Zentralsparkasse



minimum 49 per cent chareholding in state-owned industrial companies and banks, but bankers expect the regulations to be modified over the next

In contrast to Laenderbank, Z is owned by the Municipality of Vienna. It has around 3.5m customer accounts and its assets total Sch201bn. The merger rationale tends

to focus on mutually beneficial advances. Laenderbank could gain from Z's expertise in savings and providing finance for trade, industry and small businesses. Z would benefit from Laenderbank's commercial and foreign activities. So far, Mr Ferdinand Lacina, the Minister of Finance and ultimate anthority on any

ultimate anthority on any merger, has made no detailed statement but if a merger does go ahead it would raise all sorts of questions about the role of Austria's savings banks.

The country's 126 independent savings banks are all shareholders in Girozentrale and Bank der Oesterreichisshareholders in Girozentrale und Bank der Cesterreichischen Sparkassen or GZ, Austria'e second largest hank. They are required to keep a liquidity reserve with GZ and the Austrian National Bank. One of the principal functions of GZ is to give direct support to the savings banks, such as syndicating loans and underwriting issues. In effect, GZ, with total assets of around Sch270hn, acts as a central Sch270hn, acts as a central institution for the savings

Z holds 24 per cent of the Z holds 24 per cent of the GZ's shares, or around Sch2nn of GZ's capital funds. If the merger with Laenderbank went ahead, it is widely assumed that Z would have to dispose of its GZ shares.

Mr Hans Haumer, the director of the Die Erste bank, the geometal expect savings head.

banks sector as well as a

wholesale bank with special emphasis on banking services and capital market transac-

second-largest savings bank with assets totalling Schl30tm, has joined in the demands for realignment of the banking

system. He suggests that Erste, which owns 17 per cent of GZ, should take over the Z shareholding in GZ Mr Haumer would like to see

the status of savings banks changed This, he says, would provide a much more flexible co-ordination of funds, resources and reserves. Along with other senior bankers, he argues for a switch to holding company status which would, theoretically, allow the savings banks to raise equity capital. Under current banking law, the savings banks cannot hold equity capital. However, in January 1987, a significant amendment to the Banking Act

amendment to the Battaing Act of 1979 was implemented which gave banks and savings banks, the right to raise participation capital (non-voting shares). Mr Haumer now argues that his idea of a holding company would eventually give the banks the right to raise equity:
This development would have two immediate effects.
Capital and shares on the Vienna hourse would increase and, more importantly, foreign banks and financial institu-

tions could buy shares in Aus-trian banks. Most free-thinking bankers

are hoping that the Ministry of Finance can be persuaded to agree to the merger of Leenderbank and Z. If it did, it could be the beginning of another small revolution in the Austrian banking system.

Wereldhave to reshape Peachey portfolio

WERELDHAVE, the brash

Dutch property group that cap-tured Paschey Properties of the UK after a closely-fought take-over battle, plans to shift its British portfolio towards higher quality real estate and away from industrial sites. Mr Onno Husken, the chair-Mr Unno Husken, the chairman of Wereidhave, said yes-terday that the Peachey portfo-lio would remain at about the same eize but would be reshaped. More shopping cen-tres and stores would be acquired industrial and trad-ing properties would be said acquired. Industrial and trading properties would be sold.
Wereldhave is one of the few
Dutch companies to have successfully waged a hostile takeover, a form of acquisition that
is virtually unknown in the
Netherlands. Mr Husken, liberally sprinkling his remarks
with English and apparently
clad in London haberdashery,
revelled in explaining the
quaint rules of UK bid battles
to Dutch journalists.

outint rules of UK and cattles to Duich journalists.

He did not exclude further acquisitions in West Germany, Spain and the US, where Wereldhave wants to expand further. Mr Rusken said Wereldhave intended to continue growing on an international

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and the second

The future of Peachey's management has yet to be decided, although Wereldhave will definitely be represented. Mr Husken said. Wereldhave accused Peachey of lax management during the bitter bid battle, but yesterday admitted that management expertise was one of the reasons for targeting

Peachey.
The acquisition, which enlarges Wereldhave's portfoenlarges wereldnave a portolio by 60 per cent, will have no
negative effect on the Dutch
group's per share profit for
1968, which is expected to be
F1 10. UK holdings now
account for 47 per cent of Wereldhave's portfolo.

For the west helf of 1988

For the first half of 1988, Wereldhave's earnings rose 10 per cent to FI 36.8m (\$17.7m) from FI 33.4m a year earlier.

U.S. \$200,000,000 Midland International Financial Services B.V. **Guaranteed Floating**

.Rate Notes 1999

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ber 1988 to 9th March 1989 the Notes will carry an interest rate of 813/16% per annum. On 9th March 1989 interest of .U.S. \$443.07 will be due per U.S. \$10,000 Note for Coupon No. 18 EBC Amro Bank Limited

Generali acquires raise FFr1.07bn via rights issue

SCHNEIDER, the French electrical equipment and construction group which recently paid Ffra.lbn (\$1.3bn) for Tele-mécanique Electrique, is to raise Ffr1.07bn via a 3-for-11 rights issue.
The shares closed FFr14.40

the shares closed FFF14.40 higher in Parls yesterday at FFF475.40, so the rights issue pricing of FFF435 implies a discount of fust under 10 per cent. The new shares will have an equity warrant attached. Every

two warrants will provide the right to subscribe before October 20, 1991, to a supplemen-tary Schneider share at FF450. This would raise a further

Schnelder acquired Teléme-canique after a bid battle with

1% stake in Ferfin

By Alan Friedman in Milan ASSICURAZIONI Generali, old Mr Randone to the Fertin Italy'e leading insurance board and Generali's move to Italy'e leading insurance group, has sequired a small, but symbolically important acquire a Ferruzzi stake was equity stake in Ferruzzi Finan-ziaria (Ferfin), the company that has effective control of the Montedison chemicals business and is Mr Raul Gardini's newly-quoted investment vehicle. Mr Gardini, commenting on the appointment of Mr Enrico Randone, the Generali chairman, to Ferfin's board, con-firmed that Generali had and Montedison. bought a share stake. He did

not say how large it was, but a Generali official said that a little more than one per cent of Ferfin stock had been acquired, not for cash but in exchange for Generali's stake in Montedison of just below one per cent, with a market value of around L34bn (\$24m). The naming of the 77-year-

being seen by Milan analysts as an indication that Mr Gardini is being given the seal of approval by the Old Guard of the Italian business establishment. Among General's closest allies is Mediobanca, the merchant bank which is a key Generali shareholder and ali the bank that organised the share restructuring of Ferruzzi

As a result of the Ferruzzi-Montadison deal, the Montadi-son chemicals business now owns 27.18 per cent of Ferfin, which in turn owns 42 per cent of Montedison. The cross-hold-ing will be eliminated when the remaining Ferfin shares held by Montedison are placed by a consortium led by Mediob-

for DSM is on target By our financial DSM, the Dutch state-owned

Listing plan

chemicals group, expects the planned flotation of 30 per cent of the company to take place by the end of this year.

It said yesterday that Parliament was set to press ahead with the necessary legal

DSM added: "We get the mpression that Parliament is lealing with the matter energetically.

We assume we can get a listing before the end of the

Amsterdam Rotterdam Bank lead manager for the flotation, azid it was on schedule for a December flotation.

GEORGE WIMPEY PLC

Statement for the half year to 30 June 1988 (Unaudited)

	to 30 June \$ million	to 30 June £ million	Year to 31 December £ million
TURNOVER - including share of associates	699.9	654.1	1,482.0
OPERATING PROFIT	48.8	33.2	109.6
Share of profits less losses of associates	1.8	2.2	4.8
PROFIT BEFORE INTEREST AND TAXATION	50.6	35.4	114.4
Interest – net payable	(9.9)	(10.0)	(18.6)
PROFIT BEFORE TAXATION	40.7	25,4	95.8
Taxation	(13.4)	(6.4)	(24.1)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	27.3	19.0	71.7
Attributable minority profits	(0.4)	(0.3)	(8.0)
PROFIT AFTER TAXATION AND MINORITIES	26.9	18.7	70.9
Extraordinary items	_	-	(2.8)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	26.9	18.7	68.1
EARNINGS PER SHARE	9.44p	6.63p	25.15p

The Directors have declared an Interim Dividend of 3.00p per share (1987: 2.00p) totalling £8,600,000 (£5,640,000) which will be paid on 24 October 1988 to ordinary shareholders on the register at the close of business on 29 September 1988.

The Chairman, Sir Clifford Chetwood, comments: *Profits before tax for the half year ended 30 June 1988 were £40.7m, an increase of 60% on the corresponding period in 1987. The tax charge has risen from 25% to 33%. The Increase in profit reflects better performances in our Homebuilding activities, with an encouraging Improvement in the USA, and the Minerals Group. Profits on overseas Contracting operations were lower than in 1987.

Wimpey Homes achieved 4,309 legal completions in the UK, compared with 4,461 in the first half of 1987. The higher prolitability has arisen from successfully achieving a better mix of sales and improved efficiency, as well as the buoyant demand and our ability to market as well as the budyant demand and our belinty to market a wide range of products which satisfy the aspirations of home buyers. During the first half of the year net sales were above target and some 5% higher than during the first half of 1987. We are particularly encouraged by the spread of demand, and consequent rise in prices, away from the South into the Midlands, the North and Scotland where we have land holdings in good locations

We are making excellent progress with the expansion of our housebuilding activities in the USA, apart from Texas and the additional investment made last year in California, Florida and Georgie has proved successful. We now have a total of 14 selling outlets in these States compared to six a year ago. Our of her overseas housing operations are benefiting from favourable market

With a strong demand for its products, the Minerals Group continues to expand its asphalt, quarrying, waste and open cast coal businesses, as well as improving the profitability of its existing operations. Wimpey Property has made good progress with seven office and retail projects under development. Of particular note is the pre-letting of the 437,000 square feet office development at Little Britain in the City of London which is, we believe, the largest pre-letting yet achieved in the City. Little Britain is due for completion in 1990.

The 250,000 square test retail development at Clayton Square, Liverpool, will be completed and opened in November this year. There were no property sales during the half year and the portfolio now consists of 23 major properties and development sites.

UK Contracting activities have a record order book of £1 billion, but margins, although showing some improvement, are still tight. Profits from overseas contracting have tallen following completion of the major contracts in the Falklands and the Oman. However, negotiations for two are being pursued.

are being pursued.

The Group remains in a strong financial position and, despite the additional investments made in the past year, particularly on land for private housing both in the UK and overseas, borrowings are at a similar level to this time in 1987. The rise in UK interest rates from 7½% to 11% between June and August this year did not cause any slackening in the demand for Wimpey Hornes. It is too early to form a view on the effect of the increase to 12% announced on 25 August. The indications are that the demand remains firm but the rate of price increase has steadled, particularly in the southern half of the UK. All divisions have met their sales targets for the year to All divisions have met their sales tergets for the year to dete and I am confident of e satisfactory performance in this second six months of the year. Furthermore, we are continuing to pursue a number of new business opportunities to expand our four core activities. The Board has decided to increase the interim dividend from 2p to 3p per share but, as I said last year, this should not be taken as Indicating the total dividend for the full

This statement will be sent to all shareholders on the register after the postal dispute is over. It is available to the public at the Company's Registered Office, 27 Hammersmith Grove, London W6 7EN.

WIMPEY Breaking new ground

Bank of Italy official to head IMI

By Alan Friedman in Milan

A SENIOR Bank of Italy rose through the ranks to official was named yesterday as director-general of IMI, the nomic adviser that was once official was named yesterday as director-general of IMI, the state-owned . medium-term credit agency and investment.

banking group.

Mr Rainer Masers, the central bank's internationally respected economic adviser, joined the bank in 1969 and

held by his father. Mr Masera is an expert on monetary pol-icy and in the past helped to co-ordinate such policy with other EEC nations.

The new job at IMI will place Mr Masera in a more commercial environment. IML which controls SIGE. one of Milan's most successful investment banks, also has Italy's largest unit trust net-work. IMI is chaired by Mr Luigi Arcuti. The central bank is expected to name a successor to Mr Masera in the next day or so.

NORTHERN **IRELAND**

The Financial Times proposes to publish this survey on:

Tuesday, 18th October 1988

Topics proposed for discussion include: OVERVIEW THE ECONOMY INDUSTRY PRIVATISATION RETAIL & PROPERTY

COMMUNICATIONS

SMALL BUSINESSES

ENERGY

BANKING POLITICS INTERNATIONAL SUPPORT **EUROPE 1992** TRAVEL & COMMUNICATIONS TOURISM AGRICULTURE

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Net asset value as of 31st August, 1988 per CZ Share: 324.15 per Depositary Share: US\$10,228.10 per Depositary Share: (Second Series) US\$9,604.72 per Depositary Share: (Third Series) US\$8,173,73

per Depositary Share:

US\$7 636.00

IRELAND Floating Rate Notes Due September 1998

In accordance with the provisions of the Netes, police is hereby given that for the set months inter-est period from 9th September 1938 to 9th March 1989 the Notes will carry an interest rate of 8.60%, per annum. Interest payable on 9th March 1989 will amount to US\$432.39 per US\$10,000 Note and USS10,809.72 per USS250,000

Morgan Guaranty Trust Company of New York, London

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of US\$250,000 nominal of the Notes will be US\$10,919.75. September 9, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBAN(





INTERNATIONAL COMPANIES AND FINANCE

HCC launches friendly \$400m bid for Ramada

By Janet Bush in New York

rtfolio

HCC CORP, a holding company from Federal anti-trust regulacontrolled by the Pritzker family of Chicago, yesterday New Jersey and Nevada.

launched a \$400m friendly HCC is approved for gaming takeover of Ramada, the third in both states, where Ramada has extensive casino and hotel

largest US hotels group.

The amnouncement of the bid, at \$10 a share; came within an hour of news that talks between Ramada and BAA, formerly the British Airports Authority, about transferring Ramada's international division and its Renaissance chain of hotels to BAA had been bro-

HCC. a member of the Hyatt Group owned by the Prinker family, is Ramada's largest shareholder with a stake of 7.2

per cent.
The Pritzkers said in a filing with the Securites & Exchange Commission in February that it had discussed internally and with third parties a possible acquisition or restructuring of

said its merger proposal was conditional on gaining the sup-port of the Ramada board as well as obtaining clearance \$4.9m or 12 cents.

interests.
These include Tropicana casino developments in Atlan-tic City and Las Vegas, the Eddies Fabulous 50s casino in Reno and the recently-opened Ramada Express casino and hotel in Loughlin, Nevada. ECC said it had sufficient financing to cover its bid.

Disappointing earnings by
Ramada has attracted the

attention of corporate raiders over the past two years. over the past two years.

In January, the Pritzkers announced their 72 per cent stake and a year earlier Mr Paul Bilzerian, the Floridabased corporate raider, said he might mount a bid for the com-

ony. in the second quarter, Ramada. in the second quarter,
In the letter to Ramada, HCC Ramada recorded net income of \$389,000 or 1 cent a share on revenues of \$202.9m. In 1987, net income fell 52 per cent to

BAA abandons talks over joint venture

By Philip Coggan

to contrast.

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OKING ORE JRES.

BAA, THE privatised UK airport management group, has ahandoned discussions with Ramada over the formation of a joint venture which would have led to a take over of the current operations and davelopment rights of Ramada's international divi-

The deal would have involved a 391m investment by BAA, which has proved keen to diversify since it was floated last year.

itoated last year.
It spent £220m (\$371.8m) on
the acquisition of Lynton
Property and Reversionary, a
property group, and is developing its own hotels at
Stansted, Heathrow and
Getwick

Gatwick. BAA said yesterday that he spite of "extensive" negotia-tions, it was not possible to announced until yesterday.

reach final agreement with Ramada on key issues of con-trol and structure.

Mr Jeremy Marshall, RAA's chief executive, said: "We are disappointed. We remain disappointed. We remain entitudistic to expand into hotel management, but the arrangements must be right if we are to form a firm foundation for long-term growth."

Ramada said the close succession of the HCC bid announcement and the break off of joint wenture talks amended to be a colucidence.

appeared to be a coincidence.
It said the letter from HCC to Ramada's chairman, included in a filing with the Securities and Exchange Con-mission, was dated September 7 and the decision to call off talks with BAA had been

Icahn wins backing to take TWA private

By Our New York Staff

SHAREHOLDERS of Trans World Airlines, the seventh largest US passenger carrier which has for three years been the main corporate vehicle of Mr Carl Icalm, the Wall Street takeover specialist, yesterday voted to accept Mr Icalm'a proposal to take the company private.

Atthough Mr Icalm absorbed

Although Mr Icalm already owns 77 per cent of TWA's stock, the plan had to be approved by a majority of the independent shareholders. In

independent shareholders. In the event, 3.7m shares voted to accept Mr Icahn's offer of \$20 in cash and \$30 in debeniums per share. Only 146,000 of the independent chareholders voted against the plan. However, the shareholders' decision was immediately challenged by the TWA pilots' union, which served Mr Icahn with a lawsuit, changing the Wall Street financier with breaching a series of agreements made at the time of his talcover of the airline in 1985. takeover of the airline in 1985. falcover of the arrine in 1885.

If Icaim was able to buy
the company by winning the
support of pilots and other
employees for hig concessions
on wages and working practices. The TWA employees,
who had been hatfling against
another takeover bid from Mr
Frank Lorenzo's Tayas Air Frank Lorenzo's Texas Air, agreed to these cost reductions in exchange for promises from Mr Icahn about the future operation of the sirine.

operation of the airline.

The pilots charged in yesterday's lawsuit that Mr Icahn
had breached these undertakings by stripping TWA of
assets, burdening it with
excessive debts and diverting
the strline'e surplus cash to
himself and his privately-held
comments.

The suit, which has been filed in a New York state court, seeks an injunction prohibiting Mr Icahu from taking the sirline private on the grounds that this would allow grounds that this would allow the financier to "milk \$665m of TWA's assets while increasing his holding in TWA stock."

The TWA pilots also said they would call for Congressional hearings and lavestigations into Mr Icahn's financial manoeuvres at TWA. They argued that Mr Icahu's claims to have returned TWA to profitability were unfounded.

Nomura forms joint M&A unit

NOMURA Securities, Japan's until now senior managing role into M&A.

Nomura has lagged behind other financial companies in this field — notably leading Japanese banks, including Industrial Bank of Japan, and at least one other securities

advising Japanese companies on foreign acquisitions. The link within Japan was

seen yesterday as helping to bring balance to the relation-ship. It will also create a "Chi-nese wall" between M&A and Nomura's massive equity trad-ing operations in Tokyo at a time when the potential for insider dealing has become a sensitive issue in Japan.

Wasserstein Perella was founded earlier this year by Mr Bruce Wasserstein and Joseph Perella, former joint heads of corporate finance at First Boston, a leading US investment bank.

Irving Bank in move to woo white knights

By Anatole Kaletsky in New York

IRVING BANK, which has been engaged in a year-long battle against a takeover bid from Bank of New York, announced yesterday it had provided confidential informa-tion to several other prospective hidders following last month's collapse of a friendly merger plan with Banca Com-merciale Italiana.

Irving's announcement can only minutes before BNY extended the deadline for its \$1.3bn tender offer for Irving until midnight on September sell for between \$4,000 and \$7,000, depending on the config-uration of disk drives and 30. BNY said it had already received acceptances from

other add-on equipment.

Analysts predict that if Apple prices its new machine aggressively at about \$1,000 10.3m Irving shares as of mid-night on Wednesday. Together with the 888,634 shares owned hy BNY, these acceptances covered about 65 per cent of Irving's outstanding common equity. A substantial number of these acceptances, however, could still be revoked if Irving were able to come up with a superior white-knight

Even without another hid, BNY would continue to face serious obstacles in its attempt to buy Irving because of the target hank's poison pill defeaces and the provisions of New York State's anti-takeover

Arguments in BNY's effort to overturn irving's anti-take-over defences are scheduled to be heard in the New York

Court of Appeals today.
Irving did not disclose the identity of the other companies with which it had discussed the possibility of a whiteknight offer. But the board said the aborted merger agree-ment with BCI had demonstrated that BNY's offer was clearly inadequate and that Irving could obtain a better

BCI withdrew its hid because of concerns expressed by the Federal Reserve Board about the ownership and control of the Italian bank. BCI is majority owned by an industrial holding company controlled by the Italian Government.

• Union Corporation, the US financial services group, has retained Allen and Co to sell Aerolineas, which last year its Gichner Systems manuacturing an operating profit of financial services husiness.

By Stefan Wagstyl in Tokyo and Gordon Cramb in London

presence in the Japanese domestic M&A market, which is small but growing rapidly.
The new unit, Nomura Was-serstein Perella (NWP), will be headed by Mr Mitsuo Goto,

NOMURA Securities, Japan's higgest stockbroker, is forming a joint mergers and acquisitions (M&A) company in Tokyo with Wasserstein Perella, the "boutique" Wall Street investment bank in which it bought a \$100m stake in July.

Nomura said the venture was aimed at strengthening its presence in the Japanese Nomura will transfer its presence in the Japanese.

existing M&A team of about six people to the new company, which will have a total staff of about 30. Up to five are also to transfer from Jafco, which had been seeking to expand its own

house, Yamaichi Nomura bought a 20 per cent stake in the US company in order to establish itself in

international takeover activity, especially in the business of

Apple set to unveil upgraded Macintosh

APPLE COMPUTER is expected to launch a new high-performance version of its Macintosh personal computer this month. The new Macintosh II is said to be between 10 machins to be based on Motor and with the makers of computer with and 30 per cent faster than cur-rent models and is to be powered by a 32-bit, Motorola 32-bit chip.

Beverage operations boost Seagram

By David Owen in Toronto

SEAGRAM, THE large Canadian wins and epirits company, yesterday reported a 19 per cent increase in second-quarter earnings on the back

of solid progress in its bever-

age operations and lucrative

returns on its investment in

E.L. du Pont de Nemours, the

US chemicals company.

Montreal-based Seagram

holds an interest of about 22.9

PHILIP MORRIS, the cigarette

manufacturer, has withdrawn production of its Marlboro 100

igarettes from Greece because

of government pricing policies there. Production of the brand

has been transferred to West

In a complaint to the Euro-

pean Commission, Philip Mor-

ris alleged that cigarettes man-

per cent in the US company.

rola's recently introduced 68030 microprocessor, a high-speed

Though impressive, the gain

represents a slip from the com-

pany's first quarter, when income rose 40 per cent from year-earlier levels.

In the latest quarter, net income totalled US\$165.5m or \$1.67 per fully diluted share, compared with \$139.4m or \$1.40

in the corresponding year-ear-

Quarterly sales from bever-

ufactured in Greece were at a cigarettes.

age operations increased by

competitive disadvantage to

imported brands because of Greek government taxation.

production was being transferred so that a retail price

Greece permits importers of cigarettes complete freedom in

chosing the retail price of their

could be freely chosen.

The tobacco company said

Philip Morris halts Greek production

Mr John Sculley, Apple chairman, has stated that Apple had no plans to launch a microprocessor.
The Macintosh will propel Apple Computer into the market for very high-performance desktop computers used for desktop computers used for rent fiscal year, ending September 30. The new Macintosh

her period.

Apple into direct competition with the makers of computer workstations such as Sun Microsystems and Apollo Computer, and could significantly broaden Apple's markets. The impact of the Macintosh

II will depend largely on its price, analysts say. Current versions of the Macintosh II

43.4 per cent to \$1.25bn from \$869m in 1987. The results of

both Martell of France and

Tropicana, the US fruit-juice maker, are included for a full

reporting period for the first

for the six months ended

July 31, earnings totalled \$328m or \$3.32 a share on sales

of \$2.18bn, against \$255.3m or

\$2.57 on sales of \$1.7bn a year

However, cigarettes made in

rated, the company started by Mr Steve Johs, the former Apple chairman. Alitalia keeps up pressure to

more than current prices, it could be a big seller.

this month, Apple may be aiming to upstage Next Incorpo-

By launching the Macintosh

buy Aerolineas ALITALIA, THE Italian airline. is still in the running to huy a stake in Aerolineas Argentinas, Argentina's state-owned airline, according to reports in Buenos Aires, writes Gary

It will continue to make its case to the Government, along with a group of Argentine businessmen, despite a deal which has supposedly been clinched with Scandinavian Airline Systems to huy 40 per cent of Aerolineas.

Earlier this week, Swissair pulled out of a consortium which included Alitalia and private Argentine entrepre-neurs associated with Austral, the recently-privatised airline.
Reports from Swissair
suggested that it no longer
considered the Argentine Gov-

Greece are snhject to retail prices fixed by the Govern-In July, the Government announced both a tax increase ernment to be seriously interested in achieving the most profitable semi-privatisation of on cigarettes and an increase on the retail price of all ciga-rettes manufactured in the

This announcement appears as a matter of record only.



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CITICORP



INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Row brews on underwriting fees

Our Euromarkets staff look at who pays the bill when issues flop

here is a debate raging in the Eurobond business over underwriting fees. It is over the question: who should foot the bill when

new issues flop?
The International Primary Markets Association's market practices committee is schedulod at a meeting later this month to take up the issue of whether lead managers should be allowed to pass on the costs of supporting the price of new issues — known as stabilisation - to the group of co-man-

agers.
Stabilisation is a time-hon-oured practice that has recently come under intense

scrutiny.

Permissible only in the first few weeks of a bond's life, stabilisation allows a market maker to buy new Eurobonds to create artificial demand and prop up the price. It is the only form of market manipulation legally permitted by the new Financial Services Act in the

While the co-managers in theory benefit from market stabilisation efforts as the price of the underwritten securities is supported, they also usually pay for the privilege by having the costs deducted by the lead manager from their underwrit-

In a business where few firms are making profits under the best of conditions, the question of how to distribute fees fairly is more than a com-mercial or philosophical issue but one which evokes powerful emotions. A syndicate chief at one European firm said: "It's a victous circle and the best in the business are as much sinners as the lowest of the low."

n fact, some underwriters argue that the practice of stabilisation ought to be abandoned altogether, since they say it simply allows lead managers to sell unprofitable issues, gaining kudos from borrowers and forcing others to pay for it.

Instead, they argue, deals should be forced to stand or fall on their own merits without market manipulation.

ScotiaMcLeod, the Canadian-based investment hank, took exactly this view when, several weeks ago, it launched a C\$100m for Banque Nationale de Paris, telling co-managers it would not deduct any stabilisation expense from fees and that no co-management firm should

NEW ISSUE-

accept any more bonds than they knew they could place

ith investors. While ScotiaMcLeod did not say so, the firm's implicit message was that it had no intention of supporting the issue. Any firm trying to sell bonds back to the lead underwriter at an above-market price would find no buyer there.

Morgan Stanley, the USbased investment firm, sent some of its top officials to London late last year to try to con-vince the Eurobond markets to re-model their underwriting practices along the lines of those in the US. There, new deals may not be sold at prices lower than that at launch for a

"You have to look at the average payout by the lead manager to determine the cost of the bond. Too often, the price you bought the bonds at is not the price you thought you bought the bonds at." Current IPMA rules allow

lead managers to charge co-managers up to 100 per cent of the underwriting fee they receive to cover their own stabilisation costs — and some firms have become notorious for taking hefty bites out of

If IPMA decides that stabilisation costs should be shared, it must decide how much lead managers should be required

Stabilisation should be a stick to prevent lazy underwriters from dumping their bonds instead of selling them to investors'

specified period, thus eliminating the need to stabilise a new issue at all.

While Eurobond officials at some of the largest firms here were sympathotic, they told Morgan Stanley there are too many firms chasing too little business in London to see that sort of practice take root here. If one firm refused to under-write an unprofitable deal, two more would volunteer to do it.

Members of IPMA's market practices committee said the matter has preoccupied the body since late spring and the question proved so divisive at the past two meetings that con-sideration of the issue was

Most Eurobonds are priced so that investors find them attractive only when they are discounted — by an amount generally equal to the under-writing and management fee plus the selling concession. Lead managers can delay

distributing underwriting fees for as long as three months after launch date — too late for co-managers to do anything about it if they feel they have been short-changed. When a co-manager learns that the full underwriting fee will not be forthcoming from the lead manager, the bonds have been sold at a net loss. One syndicate manager said:

These securities have been sold outside the United States of America and Japan. This annot appears as a matter of record only.

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the funds were spent. And if some firms habitually spend large sums of their co-manag-ers' money on stabilisation, should not the entire market

learn about it? Since the beginning of the year, IPMA has been collecting statistics on the amount each lead manager deducts from fees before passing them on to co-managers. Among other things, IPMA itself is consider-ing making those statistics available to all its members.

Data compiled by one impor-tant Eurobond underwriter showed dramatic differences between payouts among securities houses. Average payouts from the top 36 underwriters during the past year ranged from 100 per cent of underwriting fees - no deductions for stabilisation costs - to 441/2

At the top of the list are Nikko Securities (Europe), Bank of Tokyo and Banque Paribas Capital Markets, all of which deducted less than 1 per cent of underwriting fee income from co-managers in the 12-month period ending

At the bottom of the list are UBS Securities and Goldman Sachs International, which deducted 51.4 and 55.5 per cent of fee income respectively dur-ing the same period.

UBS in particular had been singled out for criticism since six of 18 issues it lead managed in 1987 took 100 per cent of underwriting fee income from

co-managers.
UBS concedes that it did take a much larger slice of fees from co-managers than almost any other underwriter, but said that in 1988, its payouts have been more in line with what other firms had done.

One of the most irritating aspects of the fee deductions, from the co-managers' point of view, is that there is no requirement that a lead manager document costs. A simple say-so is enough to take as much as % per cent out of each

co-manager's funds.

The sums involved can be substantial. A typical \$100m Eurobond will carry underwriting fees of % per cent, equal to \$375,000. With close to \$142bn of new Eurobonds issued in 1987, underwriting income becomes a substantial part of

profitability.
In April, IPMA's market practices committee rejected a proposal that firms taking more than half the underwrit-ing fee in stabilisation expense should be required to document their costs.

But the issue will not go away, partly because the new UK law has forced firms to track their costs more carefully and partly because firms are increasingly unable to offset losses in their Eurobond operations with profits from other parts of the busi-

Firms which generally lead manage new issues say that sharing the stahilisation expense is fair because sometimes co-managers simply do not do their job. Instead of trying to place bonds with genning to place bonds with germine investors, they sell them back anonymously to the lead manager through brokers.

Said a syndicate manager at one large firm, arguing in favour of maintaining the deductibility of stabilisation costs from co-managers: "Stabi-

costs from co-managers: Stabi-lisation should be there as a stick to prevent lazy undor-writers from dumping their bonds instead of selling them to investors."

However, he argued that co-managers should be told of the lead manager's record of fee distribution hefore deciding whether to participate in an offering of new bonds.

8th September, 1988

to liberalise short-term prime rates

By Stefan Wagstyl in Tokyo

JAPANESE BANKS are Planning to liberalise their short-term prime lending rates in one of the most far-reaching moves so far in the deregulation of the Japanese financial

The benks intend to link short-term prime rates to money market rates instead of tying changes in the prime rate to the Bank of Japan's official discount rate.

The switch is likely to reduce the central bank's abil-ity to influence interest rates,

forcing changes in the way monetary policy is carried out. Moreover, it could weaken Increase, it could weaken the close relationship between Japanese banks and their large industrial customers — undermining the main bank system which has supported Japan's economic expansion

since the war.

The banks have been forced to act by the rapid rise in deposits placed at banks at free market rates, which have increased in response to the deregulation of deposit rates. Bank margins are being squeezed because official rates have recently fallen well

below market rates. Free market deposits account for more than 50 per cent of bank funds against less than 20 per cent three years ago.
The change could be intro-

duced as early as November, when the Ministry of Finance is planning to liberalise deposits further by redncing the lower limit on free market large-lot deposits from Y50m

However, the proposals, which have been put together by the six biggest commercial banks, still need to be discussed with the ministry and with corporate customers.

The new rate would be cal-culated on the basis of rates in various short-term markets. It would be reviewed whenever those free market rates moved by more than 0.5 per cent. Industrial clients could

object to the timing of the move, since the official dis-count rate is now 3.75 per cent, whereas a freely set prime rate would be 4.4 per cent at current money market

The gap is not as large as it seems because borrowers cur-rently place with the banks so-called compensatory depos-its - lodging money in low interest accounts which com-pensate for the fact that the loans too are at low rates.

The banks' plan involves ending this compensatory deposit system.

They want to reduce the rate of growth of their assets in

order to meet the new international standards on capital adequacy imposed by the Bank for International Settlements. The BIS rules make low-inter-est lending unsatisfactory for

The central bank's ability to control Japanese interest rates has been steadily reduced by deregulation of existing mar-kets and the creation of new free markets such as the commercial paper market. It will continue to be able to

guide rates by direct interven-tion (buying and selling paper) in the markets, like central banks in other countries. Also, it will retain s its traditional power to influence commercial banks by so-called window guidance -

that is making hints and sug gestions of the kind which cannot be ignored. It regularly commenthe size and nature of con cial bank lending plans, for

As for the relationships between commercial banks and other industrial custom-ers, these have been steadily weakened by a decline in Japanese industry's need to bar

the owitch many companies have made to raising funds by issuing securities instead of taking out bank loans. Mr Teruyuki Takahashi general manager of the Feder ation of Bankers' Association of Japan, said yesterday that the influence of banks over than 10 years ago.

BB to trade US Treasuries By Our Financial Staff

JAPAN Bond Trading, the leading brokers' broker known in Japan simply as BB, is planning to start broking US Tressury bonds and notes.

It would be the first attempt by a private Japanese broker to trade cash foreign securities

mately 80 per cent of all trades in the yen bond market, expects to receive orders for US Treasury 10-year notes and 30-year bonds from 50 desig-nated Japaneso socurities houses and 45 foreign securities firms allowed to settle transactions in foreign currenties, BB said.

Japan plans Crédit Foncier de France issues hotly sought after

CREDIT FONCIER de France, France's mortgage credit agency, launched two separate issues totalling \$400m in one of the most hotly sought-after mandates in recent weeks.

Up to 40 houses were said to have sounded out the borrower about leading the deal, although the number of serious hidders was estimated at 20.

The issues, for \$200m each, are for fixed-rates and floating-rates, with the fixed-rate tranche masking a complicated series of swaps into four different currencies.

Kleinwort Benson lead managed the seven-year fixed-rate bond, assigning a coupon of 9% per cent and a price of 100%, achieving an effective spread over Treasuries of 43 basis

Kleinwort swapped a portion of the proceeds into floating-rate dollars, achieving rates of 30 to 35 basis points below London interbank offered rates (Libor). The remainder were swapped into Swiss francs, Belgian francs and D-Marks.

Given the low-cost, floating-

rate funds that Crédit Foncier achieved via the swap, some were mystified by the floatingrate tranche. The 10 year notes are priced to yield & under London interbank bid rates (Libid), some 15 to 20 basis points more expensive than the funds achieved through swap-

ping.
But by way of explanation, lead manager Shearson Lebman Hutton points out that the FRNs are callable after a year and each year thereafter at par. Crédit Foncier evidently opted for slightly more expen-sive funds in exchange for the flexibility offered in their. notes. Because a seven-year swap into floating-rate funds cannot be easily unravelled, the borrower may have found itself locked into the money for longer than it liked.

The reception for the float-

ing rate note, only the third plain vanilla floater this year, was warm indeed, and

the price rose to 100.15 bid by mid-afternoon. Shearson said the two earlier floaters were undated securities with put options, making its deal the first traditional FRN to hit the market since December 1986. But traders in FRNs cau-tioned against reading too much into the demand for the issue, saying it will be a long time, if ever, funds are raised habitually in floating-rate

After all, Crédit Foncier is a blue chip borrower which car-ries the guarantee of the French Government, giving it

INTERNATIONAL BONDS

the AAA-credit rating needed to be eligible for purchase by central banks. Borrowers have no need to issue floaters when swap rates are much more eco-

nomical

Meanwhile, the reception for
the straight bond was less sympathetic, with the price quickly
falling outside fees to less two.
Kleinwort, which said it had
priced the bonds using a recent
seven-year bond for Electricité
de France as a benchmark. de France as a benchmark, defended the pricing, saying the bond price only sank with Treasuries. In fact, the spread had tightened by a few basis

Meanwhile, in the secondary market, Eurobond prices edged downward & to & point in quiet trading, following the trend in the US Treasuries

Spreads between the Eurobond and Treasury markets widened another two to three basis points, so that on balance, the markets are about seven hasis points further apart than they were at the start of last week.

That spread is wide enough so that mandates for issues

requiring a swap into floating-rate funds, handed out early last week, are still improfits-

ble. Several issues have had to be postponed because of the suddening widening in spreads and conditions appear unlikely

DET INTE

and conditions an earlier to improve soon.

Generally, trading has been light, reflecting market auxiety shout US producer price data for August to be released later today. The range of expectations is for a rise of about 0.5 per cent, the same increase seen in July. But if the rise is more substantial, the effect may be to undo much of the progress in prices seen after the US employment data last

Friday.

Among other new issues, CHBC (Singapore) issued CF75m in three-year deposit notes which have the AA-low credit rating of the parent bank in Canada. The notes carry a conpon of 10% per cent and are priced at 101% to yield 67 besis

priced at 101% to yield 67 basis points over governments. Lead manager was Wood Gundy.

Two previously launched issues were increased in size. The EEC's Eculoum 4%-year Eurobond was increased to Eculian while Amro Australia's A\$60m three-year issue was increased to \$475m.

West Germany's domestic

was increased to A575m.

West Germany's domestic
bend market ended mixed with
the short end gaining around
30 basis points while the long
end lost 30 to 35 basis points.
The drop in prices reflected
profit taking after nearly a

meant of beauty sains.

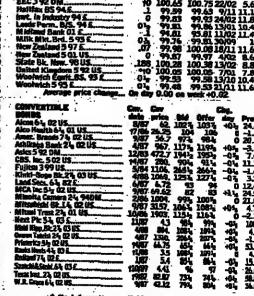
week of heavy galas.

D-Mark Eurobond activity
was brisk with good two-way business seen, mostly in supra-national five-year to eight-year matnrities. Prices closed

alightly lower.
Two recent EIB issues were seeing strong demand, most notably from Italian investors whose own currency is sinking against the mark. Bayerische Vereinsbank increased the coupon on Takirou's equity warrant bond was increased to 1% per cent from its indicated level at 1% per cent, reflecting limited investor interest for Japanese equity-

FT INTERNATIONAL BOND SERVICE

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Algemene Bank Nederland N.V.

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BNP Capital Markets Limited

Robert Fleming & Co. Limited

Merrill Lynch International & Co.

Nippon Kangyo Kakumaru (Europe) Limited

KOKUSAI Europe Limited

Deutsche Bank Capital Markets Limited

Mitsubishi Finance International Limited

Sumitomo Finance International **Kyowa Finance International Limited** J. Henry Schroder Wagg & Co. Limited

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INTERNATIONAL COMPANIES AND FINANCE

Court finds BIL breached Australian takeover code

By Bruce Jacques in Sydney

A LONG-RUNNING battle over the ownership of Woolworths, the struggling Australian retailing group, moved closer to resolution yesterday with a blow in the courts to Sir Ron Brierley, its effective 40 percent shareholder.

The ruling came as Woolworths – which is unrelated to the British and US groups of the same name – unveiled

the same name – unveiled interim results showing a return to the black.

The Supreme Court of New South Wales announced a finding that New Zealand-based Brierley Investments (BIL) had contravened the local companies code by failing to make a full takeover bid. This followed proceedings

brought a year ago against Bil. and Industrial Equity, its Syd-ney-based subsidiary, by the National Companies and Secu-

BTR DUNLOP, the South African rubber products com-pany controlled by BTR of the UK, benefited from strong con-sumer demand in the first half

of this year but said sales of industrial goods were ham-pered by delays to important

mining projects.
Turnover increased to R240m

(\$99.9m) in the six months to

June from R199m and the

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that BIL had effectively secured more than 20 per cent of Woolworths, breaching the bid trigger level. This had been accomplished by BIL buying into the New Zealand-based. Rainbow Corporation, which controlled a 20 per cent stake in Woolworths, after Industrial Equity had already acquired a

similar direct stake.

Mr Justice Hodgson ruled
yesterday that BIL had sufficient local connections for the Australian takeover code to apply. He is seeking direction from the commission, which has the power to vest, or effec-tively confiscate, the Brierley group's Woolworths shares. nwhile Woolworths ben-

efited from asset sales and a complete operational overhaul

interim pre-tax profit was R27.7m against R20.5m.

lifted by strong demand for new cars, although the motor

industry expects higher interest rates and tighter credit curbs to restrict demand in the

Dunlop's directors say that delays to important coal, min-ing, ore beneficiation and elec-

Sales of tyres have been

rities Commission, the market in the six months to June and, in line with predictions from the commission claimed Mr Paul Simons, the new chairman amanaged net profits of A\$7.8m (US\$6.3m) against losses of A\$5.2m. Earnings were still minuscule in relation to sales, which hit A\$2.95bn compared with A\$2.77bn. The directors have decided not to resume dividends, pre-

not to resume dividends, pre-ferring to reinvest the funds in the company's recovery.

The sales rise was solid, given Mr Simons' pledge that the group would no longer chase market share, but con-centrate on maintaining store standards. He backed this with a ASSan store refurbishment. a A\$34m store refurbishment dget for the current year. However, the effect of cost-cutting and asset sales was evi-

dent on the group's interest bill, which eased from nearly

A\$16m to A\$11.1m in the half.

Tyre side boosts BTR Dunlop trical generation projects affected sales of industrial

products such as conveyor belting.
Net earnings increased to 64.4 cents a share from 49.0 cents and the interim dividend has been raised to 37 cents

from 30 cents. Last year's earnings totalled 106.6 cents and the year's dividend was 85

Increased operating costs hit **Amgold**

in Johannesburg

LOWER URANIUM sales and higher operating costs com-bined to reduce first-half-income at Anglo American Gold Corporetion (Amgold), the principal gold investment arm of Anglo American Corporation, South Africa's largest mining house. The interim dividend has been cut to R6.50 from R7.

The directors say rand-de-nominated gold prices were higher than in the corresponding period of 1987, but that this was offset by higher costs which led to lower dividend payments by the mines in which Amgold has invested. Uranium was in demand a year earlier as purchasers sought to forestall feared sanctions. Investment income slipped

to R165.6m (\$68.9m) in the six months to August, from R1726m. Prospecting expendi-ture almost doubled to R12.4m from R6.9m and the interim pre-tax profit was R154.7m against R168.1m. Gold produc-tion dropped at Amgold's mines in the first half.

However, analysts believe production will be higher in the second half than in the same period of 1987 when operations were hit by a mine

strike. Net earnings fell to R7.05 a share from R7.59. Last year's full earnings were R15.55

Shipbuilder tries to stay afloat

Bob King reports from Taipei on China Shipbuilding's outlook

hina Shipbuilding Corporation, the poor rela-tion among Talwan's 10 main state-owned companies, continues to pile up sizeable losses while the other public enterprises register good prof-

It lost T\$1.9bm (US\$66m) in the year to June, continuing a string of losses totalling Table since the start of its operations. 12 years ago. In contrast, stateowned companies turned a. combined profit of T\$3bn last

China Shipbuilding's continning losses have proved a headache for economic planners, who once touted the integrated company as yet another example of the country's inche-

trial strength.

It was one of the so-called.

Ten Major Projects begun in the 1970s that included the immensely profitable China Steel, the Sun Yat Sen Freeway ern and southern parts of the island, and the electrification of the main north-south rail-

Indeed, the Kaohshung-based facility, which includes a dry dock capable of handling ships up to 1m deadweight tomes (dwt), is considered one of the world's largest.

The 516,000 dwt worth of

orders it received during the first quarter of 1988 was the fourth largest among world shipbuilding countries, after Japan, South Korea and Poland.

The 1.27m dwt of orders now in hand rank the company fifth in the world, behind South

Interest Rate

Interest Period

Interest Amount per

U.S. \$50,000 Note due

9th December 1988 ... U.S. \$1,074.31

U.S. \$100,000,000

Great Western Financial

Corporation

Floating Rate Notes Due 1995

Credit Suisse First Boston Limited

Agent Bank

8.50% per annum

9th September 1988

9th December 1988

Korea, Japan, Yugoslavia and for the capital increase

However, it has suffered under a huge interest burden stemming from construction costs - service costs have totalled about T\$18bn since. 1975 — as well as from manage-ment difficulties and from the

worldwide alump in shipbuild-Recently, China Shipbuilding has come up with a plan it says will ensure break-even within two years - provided certain conditions can be met and that contracts now under negotiation develop into orders.

Mr M.S. Yeh, the company's president and a 31-year veteran of the state sector, is determined to see the company into

He admits that the Government placed him in his present unenviable position at the start of the year with orders to sink

He is also confident that the reform checklist he has drawn up (it contains 12 main items and 158 sub-items) will provide the buoyancy the company

This assurance depends, however, on the Government meeting its commitment to provide an additional capital infusion to the company of T\$10bn during this fiscal year and next

and next:
Success will also depend on
a halt in the US dollar's decline
and a pick-up in the world
shipbuilding industry.

At least part of one condition has already been met the Government has earmarked T\$5.25n in this year's budget

o one is willing to haz-ard a guess as to the future direction of the

However, company analysts are projecting that worldwide demand for new ships will increase from its low point dur-ing 1986 of 12.4m dwt to 21.2m dwt in 1991 and 25m dwt in

The analysts base their projection on the assumption that ships built during the last peak in demand - 34.2m dwt in 1975 are now ready to be

The company is also discussing the company is also discussing the construction of an undisclosed number of Destroyer class warships with the Taiwan navy, which Mr Yeh says would make a significant contribution to the company's programme for recov-

Even at the current deflated price levels of T\$13,000 per dwt, an increase in business of 60 per cent would push the company to break-even point, he

External factors such as these saide, however, Mr Yeh plans important changes within the company itself that he expects will lead to greater and more efficient use of

For instance, he hopes to expand China Shipbuilding's activities in related fields such as ship repair and engine building as well as in con-struction of heavy plant and

The company on average repairs or converts 200 to 250 ships a year at its yards in Kaohsiung and Keelung har-

It has built equipment as diverse as 35-tonne container cranes and smokestacks for power plants, and has also installed whole petrochemical

Mr Yeh also plans to seek new business in the West with the establishment of sales bases in the US and Europe, and to seek additional technical knowhow from more advanced countries to build bigger and higher value-added

For instance, he hopes to cooperate with the US in order to begin building naval vessels larger and more refined than the 2,000 dwt to 3,000 dwt ships now required by the Taiwan

The largest part of his improved improved management accounting financial and material management, plan-ning and supervision, design ability and R&D, production process management, data processing systems and admin-istration.

This reflects Mr Yeh's three decades in management at Taiwan Power Company, Taiwan Fertiliser and the Com-mission on National Corpora-

He says: "China Shipbuild-ing is not a target for privatisa-tion right now because of its years of losses. "But maybe in two or three

years the picture will change.

U.S. \$70,000,000

Yodogawa Steel Works, Ltd. 35/2% Guaranteed Notes Due 1991 with Warrants to subscribe for shares of com

of Yodogawa Steel Works, Ltd.

To the Holders of the above captioned Warrants: You are hereby notified that, as a result of a free distribution of shares of common stock of Yodogawa Steel Works, Ltd. to the shareholders of record as of 30th September 1988, Japan time at the rate of 0.08 shares for each share held, the Subscription Price of the above-captioned Warrants will be adjusted pursuant to Condition 7 of the Warrants under the Instrument dated 23rd December 1986 from Yen 450.00 to Yen 416.70 per share, effective as from 1st October 1988, Japan time. The date of iasue of the shares to be issued upon such free distribution is 15th

Yodogawa Steel Works, Ltd. 36 Minami Honmachi 4-chome, Higashi-ku, Osaka, Japan By: The Daiwa Bank, Ltd. as Principal Paying Agent

Alahli Bank of Kuwait (K.S.C.)

US\$50,000,000

Notice is hereby given that the Plate of Interest has been fixed at 9% and that the interest payable on the relevant Interest Payment Date, March 9, 1989 against Coupon No. 9 in respect of US\$5,000 nominal of the Notes will be US\$126.25 and in respect of US\$250,000 nominal of the Notes will be US\$11,312.50.

September, 9, 1988, London By: Citibank, N.A. (CSSI Dept.).

CITIBANCO

Anglo American Gold Investment Company Limited (Incorporated in the Republic of South Africa)

AMGOLD

Interim report and dividend for the six months ended August 31 1988 (unaudited)

Consolidated balance sheet

Shareholders' equity

Non-distributable reserve

Investments and loans

Dividend payable and other

The market and directors'

values of investments are:

Unlisted - directors' valuation

Number of shares in issue (000)

Net asset value (after providing

for dividend) - cents per share

Listed - market value

Retained earnings

Share capital

Mineral rights

Debtors and cash

Net current assets

Consolidated income s	tatemen	t	
(R million)	Six months ended 31.98.88	Six months ended 31.08.87	Year ended 29.02.88
Investment income	165.6	172.6	355.9
Interest earned less administration expenses	1.5	2.4	7.1
	167.1	175.0	363.0
Cost of prospecting	12.4	6.9	21.2
Net income before taxation	154.7	168.1	341.8
Taxation		1.5	0.5
Net income after taxation	154.7	166.6	341.3
Dividends	142.7	153.7	312.8
Retained earnings	12.0	12.9	28.5
Earnings per share cents	705	759	1 555
Dividends per share – cents			
– Interim	650	700	700

Earnings for the six months to August 31 1988 were 7.1 per cent

lower than those for the comparable period last year. Although

was lower during the first six months of the calendar year, gold

gold production of mines in which the company is invested

However, uranium sales were below the exceptional levels

attained last year which was the result of rephasing certain

deliveries. In addition, the higher rand price of gold was offset

The average dollar price of gold during the first six months of

1988 increased by 5.8 per cent to \$453 per ounce, compared

with \$428 during the first half of 1987. The rand price rose by

remained relatively strong around \$450 in April, May and June.

From the end of June, however, a weaker trend emerged which

10.2 per cent from R875 to R965 per ounce, the larger gain

reflecting the weakening of the rand against the dollar. The

continued through July and August and early September.

During July and August the dollar price averaged \$438 and

\$431 respectively, but the rand price, which had exceeded

rose to R1 048 and R1 058 respectively in July and August.

depreciation of the rand since the end of May.

of working costs during the period.

For and on behalf of the board

J Ogilvie Thompson Directors

GWH Relly

R1 000 per ounce in June, averaged R1 025 for the month and

These contrasting movements result from the relatively faster

The results for the second half of the financial year will depend

largely on the prevailing rand gold price and the containment

gold price retreated from the \$480 level in January but

revenue increased as a result of the higher rand price.

by higher working costs in the industry and resulted in dividend distributions being marginally lower.

725

On Thursday, September 8 1988, the directors of the company declared interim dividend No. 81, as follows:

Amount (South African currency) 650 cents per share Last day to register for dividend (and for changes of address or dividend instructions) Friday, September 30 Registers closed from Saturday, October 1 to (inclusive) Saturday, October 15 Ex-dividend on Johannesburg and London stock exchanges Monday, October 3 Currency conversion date for sterling payments to shareholders paid from London Monday, October 3 Thursday, November 3 Dividend warrants posted Payment date of dividend Friday, November 4

shareholders' tax 14.9952 per cent The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the company and its

By order of the board Anglo American Corporation of South Africa Limited Secretaries per T 5 Johnson, Divisional Secretary September 9 1988

Head office: 44 Main Street (ବ)(ବ)(୯ Johannesburg 2001

Rate of non-resident

London office: 40 Holborn Viaduct London EC1P 1AJ

Undated

Floating Rate Notes, Series GL

Unconditionally guaranteed as to payment

of principal and interest by Province de Ouébec

8.8125% per annum

Interest Period

9th September 1988 9th March 1989

Interest Amount per U.S.\$10,000 Note due 9th March 1989

U.S.\$443.07

Credit Suisse First Boston Limited Agent Bank

Consolidated Gold Fields **Finance PLC**

£75,000,000

Guaranteed Floating Rate Notes 1995

unconditionally guaranteed by

Consolidated Gold Fields PLC

In accordance with the provisions of the Notes, notice is hereby given that, for the three troutles period 7th September, 1988 to 7th December, 1988, the Notes will bear interest at the rate of 12% per cent, per annum.

Coupon No. 15 will therefore be payable on 7th December, 1988 at \$1,546.19 per coupon from Notes of £50,000 nominal and £154.63 per coupon from Notes of £5,000 nominal.

S. G. Warburg & Co. Ltd. Agent Bank

PAN - HOLDING Societe Anonyma

As of August 31st, 1968, the uno deted net asset value was USDOL 253.436.536.75 Le. USCOL 412.09 PS share of LISDOL 100 per value.

ed not asset value per nted, as of the same data to USDOL 418.79.

US. \$150,000,000 First Interstate Overseas N.V. Guaranteed Floating Rate Subordinated Notes Due 1995

First Interstate Bancorp 8.4376% per gapper

Interest Amount U.S. \$10,000 No US. 871321 U.S. \$75,000,000



Christiania Bank og Kreditkasse

Floating Rate Subordinated Notes Due 1994

Interest Rate

8.875% per annum

9th September 1988

Interest Period Interest Amount per U.S. \$10,000 Note due

9th March 1989

U.S. \$446.22

Credit Suisse First Boston Limited Agent Bank



Wereldhave N. V. restment Company with variable capital) 23 Nassaulaan 2514 JT The Hague (Netherlands) 1988

INTERIM DIVIDEND

The Board of Management have decided to pay an Interim Dividend of Dfl. 4.75 m cash per Ordinary Share of Dfl. 20.00 each for the financial year 1988. The Interim Dividend will be payable, less 25 per cent. withholding tax, from 19th September, 1988 on presembation of coupon No. 37.

Dividend coupons for cash payment may be presented at Pierson, Heldining & Pierson NV., Algemene Bank Nederland NV., Coöperatieve Centrale Raiffeissen-Boerenleenbank B.A., Bank Mees & Hope NV. Credit Lyonnais Bank Nederland NV., Kempen & Co. NV. in Amsterdam, The Hague, Rotterdam and Utrecht, in so far as there established, at the offices of Generale Bank, Bank Brussel Lambert and Kredietbank in Belgium, or at the offices of Morgan Grenfell & Co. Limited, New Issue Department, 72 London Wall, London EC2M 5NL.

The interim report for the first six months of 1988 will be available at the offices of Monagan Grenfell & Co. Limited at the same address.

The Board of Managemant

The Board of Management The Hague, 8th September, 1988

U.S. \$500,000,000 CITICORPO Subordinated Bank Adjustable Note Capital Securities

Notice is hereby given that the Rate of Interest has been fixed at 8.625% and that the interest payable on the relevant Interest Payment Date December 9, 1988 against Coupon No. 8 in respect of US\$50,000 nominal of the Notes will be US\$1,090.10.

September 9, 1988, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

£10,000 Note due

£100.000.000

PRUDENTIAL Floating Rate Notes Due 1995

12.2875% p.a. Interest Rate 7th September 1988 interest Period 7th December 1988 Interest Amount per

7th December 1988 £305.51 Credit Suisse First Boston Limited Agent Bank



UK COMPANY NEWS

London & Bishopsgate makes move on New Tokyo Investment Trust

30

LONDON & BISHOPSGATE Holdings, the private investment management company owned predominantly by Mr Robert Maxwell and Lord Donoughue, has made its long-awaited move on New Tokyo investment Trust, the £74m fund managed by Edin-

here Toxyo investment 1195, the 17911 take manages by James burgh Fund Managers, writes Nikki Tait.

The trust announced yesterday that it was considering proposals which would involve a change in investment policy to one of tracking the Tokyo New First Section Index. At present, New Tokyo specialises in second section stocks and smaller compa-nies. The scheme, which came from London & Bishopsgate, might lead to proposals being put to shareholders, the trust's board said, and could "include an opportunity for holders to sell their shares at a fixed discount from the adjusted net asset value on a predetermined date".

Yesterday, both sides were reluctant to elaborate, saying only

that further discussions are expected between advisers.

Earlier this year, Edinburgh Fund Managers lost a battle against the unitisation of Crescent Japan, its other Japanese trust London & Bishopsgate, meanwhile, has already built up a 25.11 per cent holding in New Tokyo — which could allow it to

block any rival reorganisation proposal. In the market, New Tokyo shares added only 1p to 152p against net asset per share of 167.7p on the estimates of Wood Mackenzie, broker, with some concern expressed about the costs of transforming the portfolio and the possibility of management sever-

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Abbeycrestint	0.9	Nov 1	0.65	-	2
Avdelint	0.8	Jan 3	0.5	_	1.5
British Syphonint	2.02	-	1.84	_	4.6
Burmah Oliint	7	Jan 5	8	=	16.5
Collins (Wm)int	3.75	Oct 19	3.25	-	11.75
Cookson Groupint	2.5	Nov 25	2-		6*
Dolphin Pkg §fin	2	Oct 18	1.05	3.2	1.05
Enterprise Oilint	4.51	Nov 7	4_	-	9.5
Friendly Hotelsint	1.17	-	0.75	-	1.8
Gibbs and Dandyint	1	-	1	-	2.8
Half (R&H)int	1🗫	-	1	-	4.6
Hastairint	31	Jan 3	2	-	5.4
Keep TrustInt	3.75	-	3	-	9
Mallettint	1.4	-	1.3	-	4
Morgan Granfellint	3.85	-	3.85	-	10.85
P-E int'iint	1.4	Oct 28	1.2	-	3.6
Reckitt & Colmanint	9.15	Jan 5	7.8	_	21.7
Seacon Holdings4int	1p	Oct 28		-	
Sherwood Comp. §int	nii	-	1.5	-	4.5
Sphere My Trustint	0.88	Oct 27	0.88	_	2.42
Sinel Goldsmithfin	21	Oct 27	0.75	3	0.75
Technology Servsint	1.6	Nov 2	1.34	-	4
Torday/C'lisie 🛧Int	2.8	-	2.3	-	5.8
Tyne Tees TVInt	5	Oct 81	3.75	-	13.75
Wembleyint	0.5	Oct 31	-	•	1.1
Wilson Bowdenint	2	Nov 7	1.3	-	4.2

BOARD N	RETINGS	
The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not swallable as to whether the dividends are interiors or these and the subdividends are interiors or these and the subdividends are interiors or these and the subdividends are interiors or these and the subdividency are interiors. TODAY Interime—Aurora. City & Commercial Inv.	Caradover Invs. Corah Corasine Property Filotax Garton Engineering Orampien Holdings Local London M.Y. Holdings North See & General Reswick Royal Sovereign	Sept. 14 Sept. 19 Sept. 19 Sept. 16 Oct., 8 Sept. 16 Sept. 12 Sept. 12 Sept. 13 Sept. 13
Trust, Citygrove, Daniels (S.), Elya (Wimble- don), Triangle Trust, Willes (Jesnes), Finals- Alumasc, Dale Group, Equity & Law int, Funds, Cosena Cons, Scottish Inv. Trust, Second Allience Trust, Sheldon Jones, Highlar (Thos.).	World of Leather Flands Broadcast Count, Beco Everest Foods	Sept 26 Sept 26 Sept 26 Sept 26
PUTURE DATES	Fitch & Co. Mucklow (A & J) Potypipe Flamer Toxilies	Sept 20 Sept 20 Sept 20
Blockloy's Sept 14	West Trust	Oct, Sept.

Earnings growth to 35.16p reflects margins improvement

Reckitt & Colman makes £86.14m

RECKITT & COLMAN. household products, food and drugs group, increased pre-tax profits by 15.5 per cent to £86.14m for the first half of

A lower tax charge, sharply reduced interest bill, and an across-the-board improvement in margins, were reflected in a stronger rise in earnings per share, up by 20.5 per cent to 35.16p, despite adverse currency effects which knocked en £4m and £5m off the

pre-tax figure.
Sir Michael Colman, chairman, said the results showed the benefits of Reckitt's recent divestment programme, which had meant the disposal of wine husinesses in Australia and the US and the Durkee olives busi-

Disposals reduced turnover

WILSON BOWDEN, housing and property developer, lifted pre-tax profits from £5.9m to £14.5m on a 71 per cent increase in turnover to £60.4m, in the six months to June 30.

Mr David Wilson, chairman,

said the company had not detected any evidence of a slackening in demand for houses in the wake of recent interest rate rises. However,

the policy of forward selling had been increased in June as

in the half year rose to 714, from 510. Average selling price

WILLIAM COLLINS, publisher, increased interim pre-tax prof-

its by 62 per cent from £7.3m to £11.8m, but operating profits slipped from £8.9m to £6.4m,

The fall at the operating

level was due mainly to much heavier than expected returns

at Collins Publishers, the US

subsidiary, and higher returns in the UK publishing division.

News International, News Corporation's UK offshoot, holds more than 40 per cent

a precautionary measure. The number of completions

By Clare Pearson

by 8 per cent to £682.49m for the period, but Sir Michael said the real level of sales growth stood at about 7 per cent, after stripping out the effects of tments and rampant inflation in Brazil

Each of the three main trading divisions improved profit margins. In the health and household division, profits rose from £40.76m to £48.12m on turnover up from £346.96m to £360.97m.

Sir Michael attributed this to strong performances at recently acquired companies in Spain and Italy, and also the benefits of marketing Beecham products under licence in the Antipodes.

Profits at the food division

rose from £1426m to £1623m, on turnover down £4493m to £216.55m. Margins thus

Wilson Bowden halftime surge

and £13.48m (£5.06m) of operat-

ing profits.
On the property develop-

ment side, the company recently added a 55-acre site at Newport, Gwent to existing

Earnings per share rose to £14.2p (6.2p). The interim dividend is being increased to 2p

If, as sector ratings show, the market is waiting for the bomb to drop on Britain's house-

builders, it might bear in mind that Wilson Bowden has lots of

July 3 were 277.7m (£69.2m). Harper & Row, in which Col-

lins acquired a 50 per cent interest last September, con-tributed £6.7m to profits.

Barnings per share were 14.8p (13.4p). The interim divi-dend is 3.75p (3.25p).

These results were pretty much in line with analysts'

expectations. The high returns marred the rosy picture some-

business and leisure parks.

O COMMENT

Wm Collins rises 62% to £11.8m

O COMMENT

rose by 25.7 per cent. sand hags. Notably, extensive forward selling means that though the company may have

improved by two full percentage points to 7.5 per cent, reflecting the effect of integrating Durkee Famous Foods, bought from Hanson Trust in the autumn of 1986, and R.T.

Pharmaceutical profits added \$2.6m to £14.95m on turnover of-£69.46m (£64.93m); industrial pigments profits were £5.6m (£5.33m).

The interest charge fell from £7.85m to £3.34m, and at £53.2m, the tax rate was 38.3 (40.5) per cent. The interim dividend is 9.15p, up 17 per cent.

O COMMENT

Yesterday's excellent results from Reckitt were achieved despite exchange rate adversity and underlying growth in turnover of a modest 7 per cent. They pay tribute not only

given up profit this year, it has secured some future cash flow. It has a long land bank, for which it does not appear to

have been paying fancy prices, and gearing is very comfort-able at 30 per cent - likely to

fall by 10 per cent by the year-end. Meanwhile, the expanding property development division boasts a broad base, both geo-graphically and in terms of

customer type. The only real

drawback seems to be that Wilson Bowden has had a rela-

tively short, 18-month, life as a

public company. Full-year pre-tax profits of around £37m are in sight, putting the shares on a positively churlish prospec-tive p/e of 6.5.

what but, as the lack of ade quate provision sppears to be a one-off error, it is not unduly

worrying (although at \$40 a

shot, returns running at 18 per cent on the 400,000 copies of A Day in the Life of Russia

minted do provoke a wince). Harper & Row is proving an excellent acquisition and

moves to get the cost base down are succeeding. The City is looking for £34m for the full

year, which puts the more mar-ketable 'A' non-voting shares,

down 7p at 428p last night, on

to company's skills in manag-ing mature markets by prun-ing costs, but also skilful acquisition spotting the £12m deal with Beecham in Austral-sale and the Karinda personal care business being good examples. The hope is - as the chairman hinted yesterday that the cash raised from divestments will be deployed in an equally judicious manner on more acquisitions in the core areas: Meanwhile, with further rationalisation benefits further rationalisation benefits from Durkee still to come in the second half, the company should make £190m in the full year. This put the shares, down 7p to 883p yesterday, on a prospective multiple of 11.5. The premium rating reflects the quality of the company's earnings in a recession-prome

earnings in a recession-prone world. Pentos to acquire bookseller

By Andrew Hill

PENTOS, retail and office equipment group, is making a recommended £2.45m cash offer for A R Mowhray, a book-

Mowbray. - among the leading retailers of religious books in the UK — has three booksh-ops, in London, Birmingham and Cambridge, as well as pub-lishing interests.

In the year to May 31, its management accounts showed pre-tax profits before excep-

tional items of £71,706. A professional revaluation of the freehold of the London shep suggests a surplus over book value of £1.9m and Pen-tos, which operates the Athena, Dillons and Ryman stores, intends to arrange for the sale and lesseback of the property. The publishing interests will be sold and negotiations are already underway.

The shop, in Margaret Street,
London, is to be refurblished and its wind one in the refurblished to the shop in the state of the shop in the shop

and its retail area increased to about 9,000 sq ft.

Pentos, which has received irrevocable acceptances repre-senting 73 per cent of Mow-bray's share capital, sims to increase its share of the UK retail book market from 6 per cent to 15 per cent over the

Tiexide slowdown fails to stem 25% growth at Cookson

COOKSON GROUP, specialist

metals and chemicals com-pany, vesterday reported a 25 per cent increase to 586m in pre-tax profits for the six months to June 30.

The result was achieved despite adverse exchange rate movements and a disappointing contribution from Toxide, the joint fitanium dixiode ventures with IV ture with ICL Mr Michael Henderson, chief

executive, said Cookson would make an announcement inday

on its \$25.6m contested bid for Wolstenholme Rink, lithographic materials company.
This is the last working day during which Cookson may increase its offer, which last night was worth 412p per share, with a 410p cash alternative. Wolstenholme shares closed at 518p.

Existing companies contributed £15m to Cookson's pre-tax advance, while £7m came from new companies. Exchange rate

movements cost about £5m. Tioxide accounted for 44 per cent of operating profits, against 53 per cent last time.

Turnover rose to £737.9m (£582.8m). Earnings per share advanced by 16 per cent to 15.1p and an interim dividend

of 2.5p (2p) is being paid.
Tioxide's taxable profits
came out at 283.16m (£78.98m)
on sales of £288.15m (£282.34m).
Demand was described as

buoyant, but sales were held back by the upgrading of capacity, and there was also a strike at the Spanish plant. Exchange rate movements diminished profits by about

Despite the strong pound Cookson America's contribu tion increased overall, helped by acquisitions. The perfor-mance of Polyclad Laminates, acquired a year ago, was described as outstanding.

Ceramics and plastics also saw a first time contribution from Plibrico, bought in August last year; additionally, Vesuvins, the caramics maker, was included as a group rather than related company. This division was described as achieving "excellent profitability"

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in all its main areas.

Within metals and chemi-Within metals and chemicals, the tin, lead and aluminium based operations performed strongly. The printing supplies business, strengthened last week with the 28m acquisition of Florida based Anchor Lith Kem-Ko, attained further significant growth Precision castings benefited from rationalisation.

rationalisation.
Tax took £30.5m (£25.6m)
while minority interests
amounted to £300,000 (£300,000). An extraordinary credit of £1.2m, against a debit of £500,000, reflected divestment of a related company. See Lex

Redland dividend policy

SIR COLIN Corness, chairman of Redland, told the construction materials group's annual meeting that the board would treat its current nine-month financial year to December 31 as a normal 12-month trading period when it came to con-sider the level of dividend pay-

Referring to recent rises in UK interest rates, Sir Colin said it "would be unfortunate if this rather blunt and undiscriminating form of monetary control, were to arrest the

ADT revises conversion terms

ADT, international services group, is making another offer of early conversion, on sweet-ened terms, to holders of its sterling-denominated second preference shares.

preference anarea.

Bermuda-registered ADT, the former Hawley Group, wants all of its primary obligations to be based in US dollars.

The new terms of 16-for-five,

compared with the existing conversion basis of five-for two, are the same as extended last autumn. Even though that offer straddled the October crash, which made ordinary shares less attractive, 47 per cent of preference shares were tendered for conversion. The latest offer closes on Septem-

MORGAN GRENFE

GROUP INTERIM RESULTS 1988

	6 months to 30.6.88 (unaudited) £000's	6 months to 30.6.87 (unaudited) £000's	12 months to 31.12.87 £000's
Profit before taxation	21,919	47,048	60,087*
Taxation	(7,840)	(15,081)	(21,536)
Attributable profit	12,789	30,771	40,176
Earnings per share	8.56p	20.3p	23.8p

"After crediting £26,645,000 in respect of the sale of the Group's Interest in Target Group PLC and after providing £10,000,000 for future inf development costs and £8,667,000 in respect of a

Extracts from the Interim Report

- Retained a leading position in domestic mergers and acquisitions
- U.K. treasury operations ahead of expectations with strong performance in the foreign exchange, money markets and off balance sheet financing departments
- International finance and banking activities performed strongly as did the Channel Islands banking subsidiaries
- Substantial progress made in building market share in both equity and fixed income securities markets although these businesses have not traded profitably. Losses have, however, been at containable levels
- Investment funds under management increased during the period both as a result of the general recovery in stock market values since last October and the acquisition of new clients
- Achievement of a reduction in the Group's cost base whilst ensuring adequate investment for the future

MORGAN GRENFELL GROUP PLC 23 Great Winchester Street, London EC2P 2AX Telephone 01-588 4545 Telex 8953511 Fax 01-588 5598

Offices in Edinburgh - Frankfurt and Main - Genera - Grand Cayman - Guerrasey - Hong Kong - Jessey - Madrid - Milan - Montow - New York - Paris - Singapore - Sydney - Tokyo

To obtain a copy of the Group's Interim Report for 1988 please write to or telephone the Group Secretary at the above address in London.

Acorn back in profit at interim stage

ACORN, the struggling UK computer company in which Olivetti of Italy has an 80 per cent stake, swung back into profits in the first half of this year, helped by the launch of its new Archimedes computer for schools.

Pre-tax profits in the six months to June were 2711,000 against a loss of £1.38m last time, and a deficit of £3.23m for the whole of last year.

Turnover rose to £20.5m from £19m, underlining the growth generated by sales of the Archimedes computer. Earnings per share came to 1.1p against a loss of 2.1p.

SEACON HOLDINGS, the Isle

of Dogs based shipping and cargo handling group which rescued Milford Docks Com-

pany last September, said yes-terday that the Welsh harbour

operator achieved a small operating profit in the six months to March 31, its first such sur-

Milford nevertheless made only a small contribution to

the £424,000 interim pre-tax

profit reported in Seacon's first results as a quoted company. In the 1986-87 first half, Milford lost £488,000 before tax, while

Seacon's original businesses

showed a profit of £320,000.

By Clay Harris

plus in many years.

The company's overdraft facility was reduced in the past six months to £1.8m from \$2.7m at the same time last year and £4.5m at the year end. The interest charge fell to £336,000 from £426,000.

Acorn's profits crashed spec-tacularly in 1984 after several years of heady growth. The company has since hung on to its strong position in the UK educational market, where sales of its Archimedes computers have grown rapidly to a level where they account for roughly half of the company's turnover in the school market.

Seacon reports £424,000 at midway

last time.

Acom has not so far made a

Group turnover of £11.25m this

time compares with Seacon's

£10.23m and Milford's £540,000

The company has no imme diate plans to move from its London Docklands site, where

it has Britain's only covered steel terminal and one of the few working port facilities left

on the Isle of Dogs. At present, it is marine services consultant

for the nearby Canary Wharf

development. However, Mr Ian Hay, deputy chairman, said: "No doubt

the time will come when some-

one makes us an offer we can't

refuse." The two-acre site,

significant diversification away from the educational sector, which accounted for about 85 months, although it has recently been trying to move into niche markets in other areas. This year it plans to launch a new desktop work-

station.

Asked about plans for Olivetti to move into the UK educational market with an IBMcompatible machine, Mr Harvey Coleman, Acorn's manag-ing director, said that the project should not damage Acorn sales. Olivetti had informed him of the move, he added.

which Seacon has occupied

since 1973, is valued in its

USM next year. An interim dividend of Ip is Seacon's first. Milford shareholders had not

received a dividend since 1982.

Seacon shares closed 2p lower

British Syphon expands 27% to £2.79m By Andrew Hill

British Syphon Industries, industrial holding company with merchanting and manu-facturing interests, yesterday announced a 27 per cent increase in taxable profits to £2.79m in the half-year to June 30, against £2.2m in the equiva-

lent period.

Mr Bryan Morrall, chairman and chief executive of the Cheshire-based company, said every section of the business had made progress except for the display materials division, which had been sold to Har-

tons Group. Turnover at British Syphon rose to £72.1m (£69.6m) and earnings per share increased from 5.7p to 6.8p. The group declared an interim dividend of

2.024p (1.84p).
Mr Morrall said the group's remaining activities were books at less than £50,000.
Seacon is also applying to operate a terminal at North-fleet, Kent, to which it said Australia's Mt Isa Mines had expected to make further progress in the second half of the year, strengthened by the addi-tion of Thomas Bell Group, a promised a five-year contract to import lead.

Mr Christoph Roth, chairman and chief executive, said the company planned to move from the Third Market to the

distributor of automotive parts which was bought towards the end of last month.

He added that further acquisitions were possible in the engineering, chemical process and packaging materials divisions. British Syphon already had the right businesses and had the right businesses and right structure in its paper merchanting and paper manufacturing divisions, he said.



National and Provincial Building Society

Floating Rate Notes due 1993

6th September, 1988 to 6th March, 1989 In accordance with the provisions of the Notes, notice is

The Industrial Bank of Japan, Limited

Japanese Yen 10,000,000,000

For the six months

hereby given that the rate of interest has been fixed at 5.15 per cent. per annum, and that the

Agent Benk

interest payable on the interest payment dats, 5th March, 1989 against Coupon No. 1 will be Yen 2,546,858 per Yen 100,000,000 Note

gibbs and dandy plc **BUILDERS MERCHANTS**

Half Year ended Change 30-6-88 on 1987 Turnover £12.04m +13% Operating profit £0.55m +29% Profit before tax +18% £0.45m Earnings per ord, share 3.5p +17% Dividend per ord. share 1.0p Note: The above ligures are unaudited.

FIRST HALF ADVANCE

Interim Report is available from the Secretary, PO Box 17, 226 Dallow Road, Luton LU1 1YB (Tel. 0582 21233) and has been posted to shareholders.



Castrol brand sales and fall in oil prices underpin all-round growth

Burmah improves 8% to £49.4m

PRE-TAX profits at Burmah Oil, lubricants and fuels group, rose hy 8 per cent to £49.4m in the first half of the year. Turnover rosa from £610.3m to

Underlying the improved performance was a 16 per cent rise in lubricants volumes sold under the Castrol brand. Trad-

ing profits in the lubricants division, however, rose by just 5 per cent to 249.4m.

Mr Lawrence Urguhart, chief executive, said profits in lubricants were pared back by movements in foreign exchange rates and otherwise would have shown an 8 per cent improvement. cent improvement.

Raw materials other than base oils rose in cost, putting margins under some pressure. Burmah also increased expen-ditures in advertising and pro-motion in an effort to boost market penetration. The rise in sales volumes came in a virtually static market.

These results do not represent taking a short-term view of the company," said Mr Orquhart. "Wa are maintaining profitability at what we think is a satisfactory level while we invest to strangthen the cominvest to strengthen the com-pany for the medium and lon-ger term."

ger term."

Mr Urquhart said that the recent fall in oil prices would be likely to benefit the group.

Lower oil prices would work through to reduce Burmah's raw materials cost after a three to six month lag.

Trading profits in fuels dis-

tribution rose by 58 per cent to £6.3m, reflecting the acquisi-tion of the ICI retail network at the end of 1987. Speciality chemicals saw an increase in operating profits from \$6.9m to

£8.2m on the back of a 15 per at 7p, up from 6p. cent increase in turnover. • COMMENT

Burmah Oil has brought for ward yet another set of solid results. With its market share around the world continuing to rise and oil prices tumbling earnings appear set to grow even more quickly in the months, and probably years, ahead. The major oil compa-nies are powerless to stop the advance of Burmah's finely honed marketing strategy. Net income for the year of £82m would put the shares on a pro-spective p/e of 11. That is unjustifiably close to the market average for a company that has better-than-average growth prospects and promises resilence in the face of the uncer tain ontlook for economic growth and exchange rate fluc tustions that lie ahead.

Tyne Tees rises 10% to £2.81m at halfway By Flona Thompson

TYNE TEES Television Holdings, IBA contractor for the north-east and North York-shire, yesterday reported a 10 per cent rise in pre-tax profits from £2.55m to £2.81m for the six months to June 30 1988. Advertising revenue rose by 11 per cent, less than the ITV network's 15 per cent increase, "but we are holding our own in terms of market share," said Mr David Reay, managing director. Type Tees has a 3.85 per cent share of total network revenue, marginally down on

last year's 3.87 per cent.
The continued shift of advertising revenue from the north to the south-east has affected Tyne Tees, as it has all contractors outside the south, but, according to Mr Reay, the situation has bottomed out. The growth in unemployment has slowed down and we feel there is a new browner; in the is a new hnoyancy in the north-east."

An exceptional charge of £684,000 related to voluntary early retirement and leaving scheme costs for 50 employees. The benefits of 50 less salaries will be felt in the second half," said Mr Reay.

Local pay and conditions deals agreed this summer with its four unions, mada Tyne Tees the first commercial television company to pull out of national deals.

The company has decided to write off its investment in Superchannel, treating the £800,000 as an extraordinary

Exchequer levy was £1.16m, compared with £1.08m. Tax took £1.09m (£984,000). Earnings per share rose from 15.32p to 16.83p. An interim dividend of 5p (3.75p) has been

• COMMENT

Tyne Tees suffers from its own success. Because of its very high viewing figures it pays the penalty of losing advertis-ing market share, as advertis-ers need buy less time to reach the same amount of people. The 11 per cent rise in advertising revenue from £23.4m to £25.9m was slightly disappointing and the shares fell 6p to close at 306p. There has also been a bit of a hiatus in programme making, cutting pro-gramme sales income from £3.2m to £2m. But this aside, Type Tees has led the way on local union agreements and, in so doing, cut costs sharply staff numbers stand at 590 now on a 6 per cent 18 month pay deal - it has an aggressive management and sales force, and programme sales autumn schedule. The City is looking for profits of 27.5m, putting the shares on a prospective p/e of about 7, cheap given the yield.

Overseas sales growth helps Avdel to £5.6m in first half

By Nikki Talt

AVDEL, the engineered fastenings and assembly systems company formerly known as Newman Industries. yesterday announced pre-tax profits up from £4.2m to to 25.6m in the six months to

Sales on continuing businesses rose from £36.2m to £40.7m. The company says that this 12.5 per cent value increase masks an underlying volume increase of 17 per cent The company says that advances were made in all geo-graphic regions, with the UK now accounting for around 24 per cent of sales. North America for a fifth, and West Germany and Japan for about 14 per cent each.

The interest charge falls from £1m to £844,000 while, below the line, there is an extraordinary credit of \$2.4m - representing profits on the sale of land. Earnings per share are up from 2.2p to 2.7p. The interim dividend goes up

by 20 per cent to 0.5p.

Last month, US-based Banner Industries, headed by Mr
Jeffrey Steiner, announced that it had acquired an option over a 27.5 per cent stake in Avdel from engineering company Suter.

COMMENT

For once, a change of name appears to signal more than an over-assertive PR adviser. The first set of figures which fullyreflect Newman's decision to concentrate on its successful Avdel fastenings business look pretty creditable, with overseas sales leading the volume advance. The company maintains that it received little benefit from price increases in the first half; in the current period, conditions should be mora favourable both on this score and on the currency front. The balance sheet, too, begins to be more presentable with gearing down to around 60 per cent. That may still impede major cash acquisitions in the immediate future, hut some modest deals, utilising the sales network, look increasingly possihle. The shares, of course, are rather more concerned with Mr Steiner's intentions, and -Banner having invested £3.5m in the option - are probably right to assume these are far from fly-hy-night. That said, if forecasts of wall over £11m rect, the hid premium - although undeniably there does not look huge.

Simon calls off plans to sell TR

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Simon Engineering has ahandoned plans to sell TR International (Chemicals) to Amalgamated Metal Corporation, a subsidiary of Preussag, the West German group.

The two companies amounced in May that TR, a chemicals merchanting group, would be sold for 25.3m cash. However, they were unable to agree on contractual details. Simon indicated yesterday that TR was not one of its core activities and would probably

Asset Trust lower at interim stage

Pre-tax profits at Asset Trust, fund manager, showed a reduc-tion from £704,000 to £558,000 in the first six months of 1988. Profits in the second half of last year were £499,000 and the company ascribed the reduc-tion this time to the buoyant

first six months of 1987.

Earnings per 10p share came out at 2.5p (3.16p) basic and 2.35p (2.83p) fully diluted. The directors have main tained the interim dividend at

stock market conditions in the

Lep Group

Len Group, freight forwarding, transport and property com-pany, filed a registration state-ment with the US Securities. and Exchange Commission in connection with the proposed listing of its shares on the Nasdaq over-the counter system and its acquisition of Nationa Guardian, a US security services company. The latter's board is recommending a vote in favour of the Lep deal at a meeting on September 29.

Enterprise Oil leaps to £43.4m

The group's shipping divi-sion benefited from higher

charter rates for its ultra-large

carriers, and profits rose 16 per cent to £7.4m. Energy invest

ments, including a stake in Premier Consolidated Oil, showed an 8 per cent profit

growth at 24m. Interest charges rose from

24m to £6.6m, reflecting the higher level of investment. The

group's gearing ratio, excluding cash involved in the liquified natural gas shipping business, rose to 30 per cent.

Mr Urquhart said that this

was expected to rise further as the group continued to expand, and that acquisitions under

Karnings per share rose by 14.6 per cent to 21.61p, and an interim dividend was declared

£50m could be anticipated.

ENTERPRISE OIL, Britain's h/d in the rest of the year. biggest independent oil com-pany, yesterday reported a 78 per cent surge in net profits to £43.4m. while earnings per share rose from 8.5p to 15.1p.

The improved performance came in spite of falls in turn-over and gross profits resulting from lower oil prices. Turnover fell from £111.9m to £88.9m, while gross profits declined by nearly 55m to £30.8m.

The improved net results came from reduced exploration costs, interest income, and a uid resources rose from £130m £17.4m gain on asset disposals, notably the company's sale of its stake in Tricentrol, the ndependent oil company.

Stanco Exhibition buy

Taxes were also cut from £13.0m to £4.5m, reflecting a fall on the corporate tax charge from £13.6m to £7.2m, and a rise in petroleum revenue tax credit, from £0.6m to £2.7m. Crude oil production during the period averaged 56,000 bar-rels a day, compared to 55,100 b/d in the previous period of 1987. This should rise to 64,000

STANCO EXHIBITION Group,

the exhibition stand contractor

which cama to the Unlisted Securities Market just over a year ago, is buying Evans Town and Country Markets for

a maximum of about £5.9m.

Evans specialises in manag-ing and operating outdoor/in-

door markets, both on its own

sites and for other owners. In

the year to end-March, it made pre-tax profits of £550,000. Net

Consideration comprises an initial payment of £4.15m to

members of the Evans family. In addition, the vendors will be

paid seven times pre-tax profits

By Nikki Tait

The average price realised for a barrel of oil was £9.50, compared to £11 in the first half of 1987. The fall in the dollar-denominated oil prica was partly offset by the fall in sterling and the group's hedg-ing operations on oil and foreign exchange markets. The group's net cash and liq-

at the start of the year to £163m at the end of June. The company has £436m in liquid assets, and shareholders funds were increased by £158m by a rights issue in July, which was 166 7 per cent subscribed 96.7 per cent subscribed.

An interim dividend was declared at 4.5p, an increase of 12.5 per cent.

O COMMENT Enterprise Oil is unlikely to earn much more than half of what it reported in the first six

months of the year when it adds up its July to December

for the year to end-March 1989,

less the initial consideration. However, a maximum of £1.74m has been set on the additional sum; this becomes payable if profits top £800,000.

Stanco shares to the vendors,

of which 4.6m are being placed

by brokers Jacobson Townsley

at 45p. Existing shareholders can claw back on a one-for-

Vendors have agreed not to

sell any further shares without

the company's consent before

September next.

figures. Oil prices are getting worse, and it is unlikely to report anything so stellar in the asset disposal column. This should none the less not detract from the fact that Enterprise is the most robust as well as the higgest British independent. It made a good sized acquisition in July and found shareholders happy to back the deal. It should feel little pressure to pounce again, but has plenty of cash to move if it sees the right opportunity to buy something else and put the finance in place before oil prices began to tumble seri-ously. It has shown both that it can make deals and find new oil in the ground. And with Lasmo, which holds a 25 per cent stake in Enterprise, under pressure for its own indepen-dence, Enterprise will almost certainly be under bid speculation for some time to come. Its golden share, which the Gov-ernment could use to block a takeover, expires at the end of

Sherwood Computer in the red

Substantial losses at its Corporate Technology Group subsidiary pushed Sherwood Computer Services sharply into the red in the six months to end-June.

During the period, Sher-wood, USM-quoted computer

The initial consideration will be settled by issuing 8.31m burean and software develop-ment group, incurred a deficit of £1.52m against pre-tax profits of £461,000 last time, on turnover of £11.67m (£7.29m). The loss per 10p share was 29.7p (earnings of 10.4p) and the interim dividend is omitted (1.5p).

WEMBLEY, the sports stadium match. Greyhound racing is revival

Exceptional credit pushes

Wembley profit to £7.5m

By Philip Coggan

and greyhound racing group, yesterday announced an increase in interim 1988 pre-tax profits from £1m to £7.5m, with the help of a £4.14m excep-

tional credit. The company, which was for-merly known as GRA, is declaring an interim dividend of 0.5p per share. For 1987 it made a single payment of 1.1p. The exceptional credit

relates to a payment from a Wembley Complex tenant, in return for variation in the terms of a lease and there is also an extraordinary credit of

£1.18m representing the sur-plus on disposal of land and buildings.
Wembley stadium has been used much more extensively in recent months, for events such as a concert by Michael Jackalso enjoying a period of

Mr Brian Wolfason, chairman, said the group would con-tinue to develop the Wembley complex. Further executive boxes were being installed in the stadium and the Arena was

being revamped.

The group will benefit in the second half from the inclusion of Pacer Corporation, the US automatic ticketing systems company, and from a £3.75m extraordinary profit resulting from the sale of the former White City stadium in Manchester. Trading profit for the half

year to June 30 increased from £2.51m to £4.73m on higher turnover of £19.5m (£15.6m). Net interest payable was £1.48m (£1.5m). Fully diluted son and an American Football earnings were 5.6p (0.3p).

Keep Trust up sharply at six months

Keep Trust, with interests in investment, motor trading and engineering, saw pre-tax profits for the first half of 1988 increase 84 per cent to £2.22m. The company is raising the interim dividend 25 per cent to

Turnover was ahead at £52.02m (£45.85m) and this time there was no interest charge (£306,000).

Tax increased to £776,000 (£422,000) and earnings worked through at 14.6p (11.3p) per share.

Keep said that trading in its operating husinesses remained satisfactory. At the beginning of August, Gordons (Stock port), a group of four Ford dealerships, was acquired for £10.4m. and first indications were that the reorganisation of Gordons would produce substantial benefits for sharehold-

Nash selling Wiseoak stake

NASH INDUSTRIES is to sell its 30 per cent interest in the Wiseoak Group, Kent-based residential and commercial property developer, for \$2.9m cash to other Wiseoak share-

holders.
The decision follows closely on the heels of a boardroom clash over Nash's acquisition policy. In June Mr John Nash, the company's founder and former chairman, objected to Nash's planned purchase of two subsidiaries of Meyer International for £2.6m cash.

tion of the companies, Armour Cases and No-Nail Boxes, could have an adverse impact on

As an alternative strategy, Mr Nash suggested that Nash make a paper offer for the 70 per cent of the Wiseoak Group it did not already own.

Mr David Newton, chief

executive, said the acquisition of Wiseozk would have amounted to a reverse take-over of Nash and would be inconsistent with the company's identified strategy of con-centrating on packaging and engineering.

At an extraordinary general meeting in June shareholders the shares backed the board's the remaining interest in Wisdecision to buy the two Meyer eoak were to be acquired."

The Wiseoak stake was purchased by Nash in May 1987 for per cent of the shares.

£1.75m and the sale, subject to shareholders approval, will result in a profit of just over £1m after expenses. The money raised will boost resources and be available for acquisitions. Explaining the reasons for

the sale Nash chairman Mr Graham Dowson said that while it was not the company's original intention to sell the interest at this early stage "we were not prepared to utilise the resources to fund the ongoing development plans of Wiscoak

Mr Nash, now a non-executive director, still owns 30.55

"The outlook for THORN EMI is for solid growth and increased profitability."

Remarks by Sir Graham Wilkins Chairman

THORN EMI DIC

Annual General Meeting 8 September 1988

In the Annual Report describing last year's activities I was pleased to report a substantial increase in the overall profitability of your company which has enabled your directors to propose an increase in the final dividend, making a total for the year of 22.0p - a rise of 19 per cent over the previous

I am equally pleased to report today that our businesses continue to keep up the momentum underlying last year's

In Rental and Retail, our UK rental business continues to consolidate its leadership position and its share of installations is running at over 60 per cent.

In International Rentals, Rent-A-Center in the USA has been growing consistently and in line with our plans. More than 80 new shops have been opened since the start of the year. Acquisitions made last year in Continental Europe and Eire; have been successfully integrated. Two further acquisitions announced recently give THORN International Rentals pre-eminence in the Australian rental market and expand its sapidly growing business in Hong Kong. All together, these successful acquisitions have given our Rental business unquestioned world leadership in its market sector.

Lighting enjoys steady improved performance over this time last year, while continuing to increase its market share. The successful acquisition of the Holophane group in France, demonstrates our determination to expand our business and become the strongest lighting solutions company in the

In Technology, I am pleased to report that our Defence Electronics business performs well in a mature market. The first half has also seen a significant progress in our Software business. The acquisitions of Financial Trading Systems in the USA, and of Informatik-Forum in Germany, have significantly added to our scope and international capability in the important and increasingly global financial services

Our Security business has restructured its operations to concentrate its market drive. The acquisition of Kidde Automated Systems in the USA gives us an important foothold in this sector of the very large US security market.

As part of our strategy for international focus, we reached an agreement, in principle, with Ericsson of Sweden to sell them our 51% interest in Thorn Ericsson. The nature of our agreement with our partner restricted Thorn Ericsson to the UK telecommunications market.

And finally - Inmos. Today, Inmos is a much stronger company. It is now trading profitably, with sales substantially ahead of the same period last year and order intake at a record level. It remains our policy to find a partner or partners to participate in the future development of this business.

Our overall achievements in 1987/88 and our performance so far this year are a direct result of the environment for success created by the extensive re-structuring of your company and our strategy to focus on the businesses we know best. Our progress continues to demonstrate the effectiveness of our new operating and management style.

I am pleased to report your company now has strength in depth. Our financial position remains strong. We have started the year well. The track record is established. The strategy is sound. The outlook for THORN EMI is for solid growth and increased profitability.



THORN EMI plc, 4 Tenterden Street, Hanover Square. London W1A 2AY.

Our Music business continues to grow. It has made a most encouraging start to the year, reflecting the investment in repertoire made in recent years and other improvements.

UK COMPANY NEWS

I am happy to report a pre-tax profit of £6.4m for the first 6 months of 1988 compared with £1.9m for the same period last year.

Our earnings per share of 6.5p is itself 27% up on the corresponding figure of 5.1p last year.

IBC has made several acquisitions during the last 6 months and more are being examined. The demand for business

information continues to flourish and 1992 can only multiply the demand for our services. Prospects for the full year are very encouraging. The Board has declared an interim

dividend of 1.3p per share (against last years 1.0p). M G Bell

Chief Executive

September 1988

A full Interim Report is being despatched to all shareholders

SANWA AUSTRALIA LEASING LIMITED A\$100,000,000 Floating Rate Notes Due 1993

In accordance with the conditions of the notes, notice is hereby given that for the three-month period 9th September 1988 to 9th December 1988 (91 days) the notes will carry an interest rate of 13.3017% p.a. Relevant interest payments will be

Notes of A\$100,000-A\$3316.31 per coupon.

THE SANWA BANK LIMITED Agent Bank

Agency side prominent in Hestair's doubled profit

margins were better in the UK.
Consumer products, which
included stationery and children's toys, experienced a flat
first half, with profits dropping
slightly to £1.26m (£1.45m).
More consumers were buying
Hestair products — especially
Kiddicraft toys — as Christmas
gifts, pushing profits into the
second half, the group said.
The engineering division,
manufacturing dustbin lorries.

HESTAIR, the diversified group with interests from baby buggies to fire engines, doubled pre-tax profits to £10.1m in the six months to July 31, from the six

Results included only one month from Andrews Maclaren, the baby buggy mannfacturer bought in June, and two months from Goodfriend Temporaries, which was added to the US employment agencies in April

Turnover increased by 64 per cent to £146m (£88.9m). Earncent to £145m (£385m). Estrings per share rose 49 per cent to 14.5p (9.8p), and the interim dividend is lifted to 3p (2p).

Trading profits more than doubled to £7.14m (£3.08m) at personnel services, which runs permanent and temporary

PARK FOOD Group, which makes the bulk of its profits from packing and supplying hampers, is acquiring Country

Group, a rival hamper com-

pany, for £8.2m cash, subject to a retention of £500,000.

rate businesses – Country Hampers, MPD Hampers, Fiesta Hampers, and West

Country Hampers - with ori-gins back to the mid-sixties. In

the year to end-February, pre-

tax profits totalled £1.1m from sales of £11.8m. In the year to end-March, Park Food's own

WESTERN MOTOR Holdings,

the car importing, retailing and transporter group, more than trebled pre-tax profits in the six months to June 30, helped by the acquisition late last year of the UK importer of Servict built Lada core

Pre-tax profits rose to £4.85m (£1.51m), while turnover was

also three times higher at

£121.8m (£39.6m). Western increased earnings per share by 67 per cent to 35.4p and is to

Soviet-built Lada cars.

Country comprises four sepa-

Park Food pays £8.2m

for rival hamper group

By Kevin Done, Motor Industry Correspondent

manufacturing dustbin lorries, fire engines and luxury buses, increased profits from £1.53m Hestair was unlucky to come up with good figures on such a sorry day for the market: its shares slipped 3p to 312p. The only worry at the back of ana-

sales of around £53m, and prof-

its of over £2.1m.

Park is also adding to its much smaller drinks division with the acquisition of Edward

Butler Vintners, which is based in Ashford, Middlesex,

and imports and sells wines and spirits to supermarket chains. The purchase price is about £1.8m. Butler's turnover in the year to end-March was £8.98m, on which there was a

Both deals will be satisfied in cash from Park's resources

and from additional bank facil-ities.

Western Motor rises to £4.9m

pay its first interim dividend for several years at 3.5p. The company has carried out a radical reorganisation of its

retail outlets in the Thames Valley region with a change of

top management at 12 of its 13

dealerships. Further acquisi-

tions are planned in motor-re-lated activities.

As the UK concessionaire for

all Soviet-made vehicles, car

importing accounted for 60 per cent of company pre-tax profits

loss before tax of £569,000.

may broaden its nursery prod-ucts interests, adding to the core baby buggy business. With Andrews Maciaren contri-buting in the second half, the group should make £23.5m before tax for 1988-89. The shares look attractive on a pro-spective multiple of about 10.

lysts' minds is the possibility of a recession which would

of a recession which would obviously hit Hestair's person-nel services division. At the moment, however, demand is outstripping supply, leading to improved margins. Planned acquisitions on the consumer side should boost the division's contribution to turnover and

contribution to turnover and

profits. The company has also suggested it might expand its personnel services or consumer

products activities into Europe within the next 12 months and

Although profits declined from £576,000 to £522,000 in the half year ended June 26 1988, the directors of Technology Project Services felt the period was a great one.

in the first half and 43 per cent

of turnover.
Its transport division, which delivers vehicles for Citroen,

Peugeot, Austin Rover and Vauxhall and will add the Lada

contract in October, produced

17 per cent of group profits in

the first half on only 6 per cent of turnover, clearly outper-

forming the retail operations

which achieved 23 per cent of

profits on 51 per cent of group turnover.

Reduced profits for Technology Project halfway

good one.

Pactors that had the most impact were the strength of sterling and costs of imple-menting new computer systems and expanding the marketing and personnel man-

Turnover in the period was £4.84m (£4.64m). Earnings came to 7p (7.8p) and the interim div-idend is 1.6p (1.34p).

P-E improves 50% to £2m halfway on back of Inbucon

By David Waller

P.B. INTERNATIONAL, the management and computer consultancy, yasterday reported a 50 per cent improvement in pre-tax profits to \$2.01m for the first half of 1988. SUTCLIFFE SPEAKMAN, sutcliffe SPEARMAN, manufacturer of activated car-bon and solvent recovery systems, is to pay \$3.38m for the water screening and filtra-tion division of Hawker Sidde-ley, international engineering Fee income rose 69 per cent to The figures were helped by the fact that the prior year's result included no contribution

group.

To fund the acquisition and to finance the expansion of its carbon plant at Leigh, Lancs, Sutcliffe yesterday also launched a one-for-three rights issue at 100p to raise £4.7m.

Hawker Siddeley Brackett designs and manufactures drum and band screens used in the power and waste water industries. In 1987, it made a pre-tax operating profit of

Sutcliffe

Speakman

to expand

By Clay Harris

seeks £4.7m

Sutcliffe is also paying 2500,000 for a 2.6 acre site adjacent to Brackett's Colches-

adjacent to Brackett's Colchester premises.

The disposal by Hawker Siddley completes its withdrawal from the water treatment sector. It sold Hawker Siddley Water Engineering to the Jones Group in May for IF2.6m (22.2m).

CHI grows with three acquisitions

CH Industrials, specialist engineering and building chemicals group, announced three small acquisitions. It is buying Salemark (UK), a trade distributor of carpet underlay and fitting accessories, for an initial 2500,006, with another £267,500 payment linked to profits. CHI already owns Gripperrods, a leading carpet accessories manufacturer. CHI has also bought the rub-

CHI has also bought the rub-berised hair business of Hair-lok for £300,000 to add to its Curled Hair operation. Rub-berised hair, manufactured by spraying latex on to animal pair, is used in bedding, vehicle seating and packaging. The third deal, for an undisclosed cash amount, is for Thomas Ness, manufacturer of building preservatives and damp-proofing fluids. Produc-tion of Ness products will be switched to the CHI subsidiary Comentone-Reaver's plant in PE-International prompted a 10 gain in the company's shares, which closed the day at 208p.

from Inducon, the consultancy acquired last June. Had this been included for the whole

been included for the whole period, faces and pre-tax profits would have moved up by 20 and 23 per cent respectively.

Earnings per share, a more realistic indicator of performance, rose by 15 per cent to 7.8p; an interim dividend of 1.4p (1.2p) will be paid on October 28.

Mr Hugh Lang, chairman,

Mr Hugh Lang, chairman, said that the figures were in line with the company's bud-gets. The integration of Inbu-con with P-E's existing business had gone well, but group margins had been held back.

COMMENT Broadly in line with expecta-tions, yesterday's figures from which closed the day at 20sp.
Assuming pre-tax profits of
£4.5m in the full year, this put
them on a prospective multiple
of just over 11% - a 15 per
cent premium to the marketse
a whole. In part, this reflects
the company's partial involvement in the more exciting and ment in the more exciting and of the software consultancy market, to which fashionable companies such as Logica and the Cap Group are more directly exposed, and stand on correspondingly higher ratings. But only about half of PE's computer fees (which in turn account for half the group total) derive from this source. turn account for half the group total) derive from this source, the balance from bread-and-butter activities such as staff placement. Although PE is sufficiently different from Alexander Proudfoot, the other quoted consultancy, to give it a scarcity value for investors, it will be difficult for ldf Lang to maintain the 15 per cent premium in today's equity market, especially since the planned expansion in Europe will require the issue of more paper.

ABB Kent in recovery

ABB KENT (Holdings) has recovered slightly from the dis-appointing second half of 1987 which contributed only £1.4m to full-year profits of £6.5m. For the six months to July 1 1988 it has reported profits of £3.82m, compared with £5.12m in the previous first half. Turnover was £63.27m, compared with £64.46m.

The directors of the com-The directors of the com-pany, which designs and man-ufactures industrial instru-ments and metering devices, said the order book was show-ing signs of improvement over 1987 and the quality of margins indicated that the second half would be stronger than the first. The interim dividend is held at 1.5p on earnings of 3.5p

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BINARKE

Dolphin jumps to £2.36m

DOLPHIN PACKAGING finished the year ended May 31 1988 with a rise of 54 per cent in pre-tax profit, from £1.53m to £2.36m. And for the current year the

directors saw further substantial growth. There was scope for improvedtrading performance of all companies, and that was backed up by the group's self sufficiency in the production of plastic sheet, the basis of its products.

The group, which came to the USM a year ago, lifted turnover 47 per cent to £12,55m. Earnings came to £51p (5.5p) and the final divi-dend is 2p for a 3.2p total

(1.05p). In the year the group acquired a business in Ireland making polystyrene egg boxes, and since has purchased Keld-erplastibox of Holland and AMT (Packaging) of Chelten-

In its first interim report since

obtaining a full listing, Abbey-creat, designer, maker and dis-tributor of jewellery, amounced pre-tax profits up 51 per cent from £363,000 to £549,000 for the first half of

Turnover rose 35 per cent to

Earnings per 10p share increased to 2.4p (1.8p) and there is an interim dividend of

0.9p (0.65p). Mr Michael Lever, chair-

man, said order intake and sales since the end of June continued to show growth, while the mail order selections

already received for 1989 were

Abbeycrest advances 51%

Slough Estates plc Interim Results for 1988

	1988	1987	Increas
Profit before tax	£34.1m	£28.0m	+21.8%
Attributable profit	£24.3m	£20.0m	+21.5%
Earnings per share	8.8p	7.4p	+18.9%
Dividend per share	3.3p	2.8p	+17.9%
Dividend per share	3.3p	2.8p	+:

"We remain confident that the company's prospects for 1988 are good"

Sir Nigel Mobbs, Chairman

 Slough Estates plc, helped by a continuing strong property market in the United Kingdom and satisfactory results from all overseas operations, boosted interim taxable profits by 21.8% to £34.1 million. Operating income increased to £44.2 million against £39.5 million, with property trading and other trading showing a near 50% improvement. Interest charges were down to £7.0 million against £8.9 million.

■ The United Kingdom property market has remained strong with continued demand for business space and improved rental values. During the half-year to 30 June 1988, 597,000 sq ft of new construction was completed and currently 650,000 sqft is being built at Slough, Oxford, Swindon, Reading, London ECI and Feltham.

■ Since the end of June, the Company's UK trading subsidiary, Guildhall Properties Limited, has sold the 40,000 sq ft office scheme jointly developed with Glengate Holdings at Great Marlborough Street, London, at a satisfactory profit.

■ In conjunction with Viking Property Group, the company has acquired the Pentagon Shopping Centre at Chatham with a view to carrying out a full refurbishment.

Earnings per share of Bredero Properties Plc advanced from 4.9p to 7.8p and a substantial expansion in the development programme was achieved.

In Europe properties have been sold at Zaventem and Weyveld in Belgium and at Wuppertal in West Germany. The 70,000 sqft office property at Nanterre, Paris, developed jointly with Capital and Continental SA was fully leased prior to completion of construction.

In Australia 38 acres of land have been acquired in Melbourne for development as a business park and a site has been purchased in the central business district of Melbourne for the erection of an office building of 71,000 sq ft.

A site of 15 acres has been acquired adjoining the company's successful American Drive property in Toronto,

In the USA steady progress has been maintained in leasing vacant space. Terms have been agreed to purchase 23 acres for the development of 387,000 sq ft of suburban offices in Chicago in conjunction with Draper

SLOUGH ESTATES

One of Britain's leading international property companies

Copies of the full Interim Report will be sent to shareholders as soon as a normal postal service is resumed. Copies are available from The Secretary at Slough Estates plc Head Office, 234 Bath Road, Slough, Berkshire SL1 4EE.

Friendly Hotels profit doubled

THE fast-expanding Friendly and onwards, the directors pleted.

Hotels more than doubled its said.

The fast-expanding Friendly and onwards, the directors pleted.

The fast-expanding Friendly Hotels was in the to £0.55ml midway pre-tax profit and is raising the interim dividend from 0.75p to 1.1p. In the 24 weeks to June 12

the independent hotelier produced a profit of £1.13m from turnover of £8.97m, compared with £544,000 from £5.13m for the six months to June 21 1987. Earnings were 7.37p (2.56p). Benefits of the various acquisitions and developments would be reflected partly in the

results for the current year, but more specifically in 1969

The second half of the year

was usually the more profit-able, and another successful 12 months' trading was expected

In Walsall the second-Friendly Lodge, with 126 bed-rooms, was operational, while agreements had been finalised for the construction of an 84 bedroom Lodge in Norwich and another, with 90 bedrooms near Caen, France. Refurbish-ment of the New Connaught

Rooms, London, had been com-

process of buying Baron Hotels and Leisure for £25m net. This company owns 10 hotels of which it was intended to retain seven, comprising some 660

The rapid expansion of the serviced office division contin-ued and it was anticipated that at least 10 Premier serviced offices would be operational by the year-end. . . .

French Franks, the catering

units in the West End, were enjoying a successful year.

Allied-Lyons selling sign maker for £10m

ALLIED-LYONS, food and drinks group, is selling Old-ham Claudgen, its sign manu-facturing, installation and maintenance subsidiary, for £10m to Torday & Carlisle, Newcastle-based specialist

engineering company.

Torday, which is traded on the over-the-counter market, is financing the purchase through the placing of £7.5m in convertible preference shares and increased bank barray. and increased bank borrow-

Oldham, founded as a pub

ACRE OIL: acceptances in

respect of British Gas offer total 85.2 per cent and British Gas now holds 95.2 per cent. AGB RESEARCH, market

research group, has postponed indefinitely the extraordinary

general meeting planned for next Tuesday. AGB said MAI,

moneybroker and advertising group, had agreed to set aside a contract relating to the now abandoned sale of its MRI sub-tidizer to ACE

sidiary to AGR. BRITANNIA ARROW Hold-ings, financial holding com-

pany, is to set up a securities broker in France. Britamia said in Paris that MIM France

would have a capital of FFr25m (£2.34m) and be 39.39 per cent beld by the British parent. MIM France will be Britannia Arrow's first branch in conti-

BOWTHORPE HOLDINGS,

electronics components manu-facturer, has paid FFr7m

(£653,000) in cash for G Viault, a Paris-based plastics design

and manufacturing company. Viault producesproprietary plastic injection-moulded auto-

CASE: Dowty has declared

its offer unconditional and

CASE will not pay final divi-

motive components.

nental Europe.

signs company in 1901, has been part of Allied Breweries since 1964. It achieved operat-ing profits of £1.3m on turn-over of £20.3m in the year to March 5. Allied accounts for about 12 per cent of Oldham's turnover and has committed to Continue to use the company.

Torday reports pre-tax prof-

its of £622,000 (£403,000) on turnover of £9.1m (£8.54m) for the six months to June 30. On earnings per share of 12.4p (9.8p), the interim dividend is raised to 2.8p (2.3p).

COMPANY NEWS IN BRIEF

(mineral, oil and gas explorer and producer): Results for

and producer): Results for half-year to June 30. Revenue \$1.68m (\$991,000), against \$431,000, expenses \$1.68m (\$571,000). Currency translation loss \$301,000 (\$82,000 gain) making losses before tax of \$287,000 (\$82,000 loss). Loss per

share 0.41 cents (loss 0.22

HALL (R&H): Pre-tax profits of

this grain merchant were IE1.58m (£1.34m) against £1.46m

for the six months to June 30 1988. Interim dividend unchanged at 1p. Earnings 5.59p (5.55p) per share. Com-pany is acquiring Sutions of Cork for E6.3m cash.

MALLETT (antique furniture and art dealer): Pre-tax profits £1.77m (£1.47m) on turnover of

25.5m (25.84m) for half year to

June 30. Interim dividend 1.4p (1.3p) and earnings 8.33p (7.6p)

per share.
NEWAGE TRANSMISSIONS:

the offer on behalf of Williams Holdings has been declared unconditional. It has received

acceptances of its offer in respect of 10.36m shares (88.3

per cent), of which elections for the share alternative were

made in respect of 175,020

SAVE & PROSPER GOLD

ENNEX INTERNATIONAL FUND: Dividends and interest quotation is restored.

Ariel Industries plans de-listing

By Clay Herris

Ariel Industries; manufacturer of fasteners, closures and aerospace components, plans to go

Three employee trusts and Three employee trusts and the company's pension fund are to offer 100p – against yesterday's unchanged price of 95p – for the 10 per cent of shares still in public hands. The trusts already hold about 75 per cent of Ariel's shares, and Mr. Kennath Edwards and Mr Kenneth Edwards, chairman, owns 15 per cent. Ariel last tried to buy out the minority in 1984 with a 30p

payante \$17,156 (\$35,30) recentable) and management and other expenses \$100,677 (\$139,765) for six months to July 31 1988. Earnings per share 0.13 cents (50.09 cents). Net assets \$18.53m (\$29.5m) or \$14.919 (\$25.434) per share.

SINCLAIR GOLDSMITH Hold-

ings (surveyor and estate

agent): Pre-tax profits £1.45m (£1.01m) and turnover £4m (£2.98m) for the year to May 3i. Final dividend of 2.1p proposed for a 3p (£0.75p) total. Earnings 8.37n (£6.5n)

STURGE HOLDINGS, a Lloyd's

underwriter, said talks about the possible acquisition of

Rensburg, a Liverpool-based stockbroker, had been termi-nated. When Sturge announced the talks in June, it outlined plans to create one of Britain's

largest provincial stockbro-

THORN EMI has secured 98.57 per cent of French group Holo-

phane. Shareholders represent-ing 92.6 per cent have tendered their share and purchases on the Paris bourse totalled 5.97

per cent. Thorn is ready to pur-chase the 13 per cent publicly held minority in Europhane, a Holophane subsidiary, at FFr

690 per share as soon as its

8.37p (6.65p).

also very encouraging. Midway rise at Gibbs & Dandy

An 18 per cent expansion in taxable profits for the first half of the year was reported by Gibbs and Dandy, Luton-based builders' merchants. On turnover of £12.04m (£10.61m), pre-tax profits rose from £382,000 to £452,000.

After tax of £172,000 (£141,000), earnings per 10p share improved to 3.5p (3p), and the interim dividend is

maintained at 1p.

However, the directors warned that the performance in the second half was unlikely to show the same level of profit growth as in the period under review.

/ MIM BRITANNIA UNIT TRUST MANAGERS LIMITED e of Annaly

Britannia Arrow Gift Strategy Trust with MIM Britannia Growth Gilt Trust

As a result of the passing of Extraordinary Resolutions by the unitholders of the above

Trusts at separate meetings the Scheme became effective on 2nd August, 1988. The terms of exchange of units of Britannia Arrow Gilt Strategy Trust for units of MIM Britannia Growth Gilt Trust is

1 Unit of Britannia Arrow Gilt Strategy Trust = 0.91943 Units of MIM Britannia Growth Gilt

Replacement certificates will be despatched not inter than 1st October, 1988 to the former holders of Units of Britannia Arrow Gilt Strategy



EUROPEAN OPTIONS EXCHANGE

Vol Lan

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TOTAL VOLUME IN CONTRACTS: 18,810

BASE LENDING RATES

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United Mizraki Bank
Unity Trust Bank Pic
Western Trust
Westgac Bank Corp.

Members of British Merchant Banking & Securities Hooses Association, o 7 day deposits 4,38%. Savenive 7,15%. Top Tres-£10,000i-ustant access 9,0% & Mortgage base rate, § Deparant deposit 7%. Mortgage 11,375% - 11,75%.

8 - 814 C - Call

Clydesdale Bank Comm Bk. N. East ...

Co-operative Bank
Counts & Co
Cyprus Popular Bk
Onnhai Bank PLC
Duncan Lawrie

Espatorial Bank plc Exeter Trust Ltd Financial & Geo. Bank ...

First National Bank Pic.

Robert Fleming & Co.

Robert Fraser & Ptors.

Heritable & Gen Inv Bok

L. Hoare & Co. Hongtong & Skansh D. Leopold Jeseph & Sors Loyds Bank Meglyraj Bank Ltd McDonnell Douglas Bak Midland Bank Mount Borkg Corp. Nat Bik, of Kowsit

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Interest centres on EMS

parities. Speaking after a regular meeting of the Bundesbank central council, he added that

there have been no noteworthy

there have been no noteworthy tensions in the EMS.

Dealers conceded that all currencies were currently trading within their divergence limits, but there was concern that renewed strength in the D-Mark could put further pressure on exchange rate parities.

Elsewhere the D-Mark fared less fewerichly. Force of

less favourably. Fears of higher Japanese interest rates,

higher Japanese interest rates, and recent statements highlighting the strong growth-low inflation position of the Japanese economy, tended to increase interest in the yen. The latter was also boosted by the recent fall in oil prices.

The D-Mark opened at Y72.51, little changed from last night's close of 7.552, but had slipped to Y72.37 by mid-morn-

shipped to Y72.37 by mid-morning and Y72.35 in the after-noon. It closed at Y72.39, above

TRADING VOLUME was when he stressed that there is relatively low in currency mare no need for a re-alignment of relatively low in currency mar-kets yesterday, and what interest there was, centred on finc-triations within the European Monetary System.

The D-Mark was fixed at a record high against the Italian lira in Milan at 1.747.95 against 1.747.15 on Wednesday, and the Bank of Italy sold both D-Marks and French francs at the fixing. Despite its firmer tone, the D-Mark is still well below its EMS upper limit of

The Bank of France was also

active, as the D-Mark traded close to a six-month high against the French franc. It was fixed at FFr3.4060, and although this was marginally down from FFr3.4063 at down from FF13.4063 at Wadnesday's fixing, the DMark's strength was only contained by sales of around DM140m by the Bank of France, when the D-Mark touched FF13.4070 earlier in the day Dealers suggested that the French authorities are anxious to keep the D-Mark below

ious to keep the D-Mark below the FFr3.4100 level.

Elsewhere the Belgian franc was fixed at a record low against the D-Mark.

Market opinion remained fairly evenly divided over the possibility of an early EMS realignment. Dealers noted comments by Mr Karl Otto Poehl, Bundesbank president,

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Sept	8	Late	d.	Previous Clase		
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CURRENCY RATES

CURRENCY MOVEMENTS.

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Mexico 3866.55 - 3867.85 2281.00 - 2291.00 8. Zealand 2.7275 - 2.7345 1.6105 1.6136 58m0 Ar. 6.3550 6.3610 3.7405 3.7405 3.4600 3.4655 2.6390 2.0410			2.6460-2.64B0
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5. At (Cm) 1.4 (BBS -4.0995 2.4120 - 2.4150			
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	U.A.E.	48.90 49.15 6.2245 6.2305	28.75 - 28.85 3.6725 - 3.6735

Selflag rate .

MONEY MARKETS

London rates firm

INTEREST RATES were firmer in Terrest Hattes were inner in London, continuing to reflect the performance of sterling on the foreign exchanges.

A weakening of the pound, and a fall of short sterling faintees on Liffe, pushed rates

Three-month interbank rose to 124-124 p.c. from 124-124; p.c., but finished below the day's peak of 124-124 p.c.

UK electing back base landing rate 12 per cent from Angust 25 & 25

Trading was nervous. There was no strong upward pressure from the market, but concern about the CBI distributive trades survey for August, and fear about UK money supply and trade figures later this month, led to caution. The Bank of England initially forecast a money market surplus of around £150m, but revised this to a flat position at

noon, and to a shortage of £100m in the afternoon.

The authorities did not intervene in the market before lanch, but in the afternoon bought £113m bank bills outside in hand 4 till a c right in band 4 at 11H p.c. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £33m, with a rise in the note circulation absorbing £50m, and bank bal-ances below target £35m. These factors were offset by Exche-

quer transactions adding £255m to liquidity. In Frankfart call money was steady at 4.75 p.c., after the Bundesbank council left its credit policies unchanged at yesterday's meeting.
Credit conditions were com-fortable, following an alloca-tion of DM18.3bn at this week'e

securities repurchase agreement tender, replacing an expiring agreement of DM17.6m.

Mr Claus Koehler, a Bundes bank Board member, told a news conference after the council meeting we have achieved our aim of getting call money below the Lombard

The Lombard emergency fin-ancing rate was left at 5 p.c. at the council meeting, and the discount rate at 3.5 p.c.

In New York the US Federal Reserve added funds to the banking system via \$1.5bn of customer repurchase agree-ments, when Federal funds were trading at 8% p.c.

In Milan the Bank of Baly provided liquidity to the bank-ing system through a L500bn reverse securities repurchase tender, at a rate of 11.97 p.c., compared with 12.01 p.c. previ-

The maximum rate dropped to 12.05 p.c. from 12.25 p.c., and the paper is for repurchase between September 26 and 30.

FINANCIAL FUTURES

STERLING INTEREST rate contracts weakened on Liffe, as the pound declined, and the market remained nervous about UK economic data later this month. Traders fear sharp growth in

closed at SFr1.5630 from SFr1.5645 and FFr6.2950 compared with FFr6.2800. On Bank of England figures, the dollar's exchange rate index rose from Sterling ended on a slightly weaker note. Its exchange rate index closed at 75.7, down from

Wednesday. The pound closed at \$1.6965

75.8 at the opening and 75.9 on

key support at Y72.00.
The dollar's pre-occupation with today's release of US producer prices for August left most investors content to

square positions and stay on the sidelines. The US unit opened on a slightly firmer note, on light short-covering, and remained within a narrow range to finish at DML 8490

99.0 to 100.3.

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42.4582 7,85212 2,07853 4,90403 2,31943 0,768411 3483,58

EMS EUROPEAN CURRE

pt.B	Day's spread	Close	One month	* 1	Three markits	22
ands.	1.6920 - 1.7005 2.0995 - 2.1075 3.534 - 3.545 65.65 - 64.00 12.06 - 12.10 11.665 - 1.1745	16%0-16970 2,1015-2,1025 3,534-3,544, 65,70-65,60 12,064-12,074 1,1700-1,1710	0.49-0.46cpm 0.36-0.24cpm 13-13-cpm 28-20cpm 41-31-crepm 0.30.0 Venus	136 171 538 438 367 374	1.58-1.53em 1.09-0.90em 53-53-pm 82-71em 171e-101-pm	16 46 46
	3.13 ¹ / ₂ -3.34 ¹ / ₂ 259.20 - 260.80 209.90 - 210.80 2348 - 2354 ¹ / ₂ 11.66 ¹ / ₂ - 11.71 ¹ / ₂	3.131-2-3.14 259.30-260.30 209.90-210.20 23491-23501-11.681-11.691	1%-1%pfpm 15-56cdis 33-17cpm par-3lirents 1%-2% armits	140	34-54-00 34-72-00 92-73-00 6-1-00 43-53-00	175
	10.674 - 10.714 10.874 - 10.905 2264 - 228 22.05 - 22.11 2.664 - 2.654	10.6712 - 10.6815 10.8714 - 10.8814 22614 - 2272- 22.05 - 22.06 2.6614 - 2.6514	34-34com 14-4ccom 14-14com 14-34com	179 138 441 496 820	271-251 pm	1470

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F Fr. S Fr.	8.9% 8.377	0.640	2 978 1 183	212.5 85.54	10. 4.026	2.484	3335 1334	.2200 865.8	1.968	61.50 24.76
N FL	0.426	0.477 0.722	0.864 1.335	64.12 96.60	3,01.7 4,545	0.749	1506	663.8 1000.	0.594	18.57 27.98
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FT LONDON INTERBANK FIXING GLOD a.m. Sept.69 3 months US dollars

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under one month 71/2 per	COLL COL-U		7 per ceut, i	ALLEG-SEY SELECT	une a hea c	THE BUTTER

Sterling contracts decline

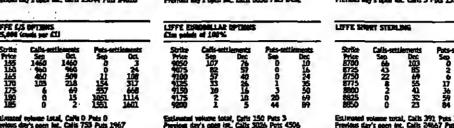
Mo money supply and another large balance of payments defi-The market generally expects bank base rates to

from DM1.8430 and Y133.85 against Y133.65. Elsewhere it

trade figures continue to disappoint. at the result of the CBI August distributive trades survey, showing that 73 p.c. of retrailers questioned thought Sep-tember sales would be higher

about a possible run on ster-ling if the money supply and

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mosts 4% per cent; one-twee mothes 4 per cent; three-six months 4 per cent; six-nice months 4% per cent; one-twelve months 4½ per cent; Under £160,000 7 per cent, from July 5,1908, Departit withdrawn for cash 5 per cent.

that increases in interest rates have so far had a limited effect in dampening the growth in future, but there is concern US Treasury bonds also declined on Liffe, following a weak opening to prices in Chi-cago. The market was said to

lack solid direction, and to be nervous ahead of today's US producer price index

1170

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Latest High Law Prev. 0.7433 0.7486 0.7475 0.7540 0.7548 0.7540 0.7570 0.7610 0.7630 0.7630 0.7680 0.7680 0.7680 0.7714 0.5419 0.5406 0.5433 0.5464 0.5452 0.5480 0.5505 0.5601 0.5525 12.71 12.64 92.70 92.64 92.62 92.76

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SHISS FRANC GALLS STY 125,000 S per STY 0.6478

> The Royal Bank of Scotland plc Alteration to Interest Rate



The Royal Bank of Scotland plc announces that the monthly rate of interest charged to its Access cardholders will be increased from 1.75% to 2% per month (equivalent to an annual percentage rate of 26.8%) with effect from 1 October 1988.

From that date the new rate will be applied to all interest bearing balances, cash advances and to purchases attracting interest for

The first sentence of Condition 10 of The Royal Bank of Scotland Access Conditions of Use is amended accordingly.

Registered Office, 38 St Andrew Square, Edinburgh EH2 2YB. Registered in Scotland Number 90312.



the first time.

Standard & Chartered

Standard Chartered PLC

(incorporated with limited liability in England)

US\$400,000,000 Undated Primary Capital

Floating Rate Notes

notice is hereby given that for the Interest Determination period from 8th September, 1988 to 11th October, 1988, the Notes will carry interest at the rate of

Interest accived to 11th October, 1988 and payable on 6th January, 1989 will amount to US\$81.93 per

US\$10,000 Note and US\$819.27 per US\$100,000

Standard Chartered Merchant Bank Limited

Agent Bank

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in accordance with the provisions of the Notes.

815/16 per cent. per annum.

Notice to shareholders of Lloyds Bank Plc.

Interim dividend 1988-Scrip dividend alternative.

Due to curtailment of postal services, shareholders of Lloyds Bank Plc who wish to return completed forms of election to receive shares instead of cash in respect of the interim dividend may deliver these to any branch of Lloyds Bank Plc on or before close of business on 12 September 1988, for onward transmission to the registrat

Alternatively, completed forms of election may be delivered to Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, West Sussex, not later than 15 September 1988.

Transmission of the form in this way is at the shareholder's risk.



THE THOROUGHBRED BANK.

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS. A member of IMRO.

TLC Beatrice International Holdings, Inc. a member of TLC Group, L.P.

Reginald F. Lewis has sold

Callard & Bowser Group

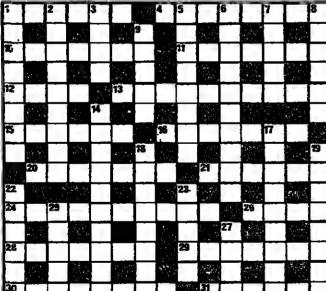
United Biscuits (Holdings) plc

The undersigned assisted in the negotiations and acted as financial advisor to TLC Group. L.P. in this transaction.

Drexel Burnham Lambert

FT UNIT TRUST INFORMATION SERVICE

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- **ACROSS** ACROSS

 1 Blondes, including queen, are holy people (6)

 *4 Goody! He's so funny! (3-5)

 *10 Pole left with cunning (7)

 11 Sick person that won't wash? (7)

 12 Confined to the house? (4)

 *13 A scruff's a cocky person (10)
- (10) 15 With some blood he has to
- dress (6) 16 Squid's squirts replaced in
- casks (3,4)
 20 Extend one's time inside
- (7)
 21 Stick bill on this board? (6)
 *24 Thoroughly clean model in
 place of game (5.5)
 26 Accent one can't get rid of?

- *28 Height of former Labour-Party leader (3,4)
 *29 Mathematician or social reformer? That's right (7)
 *30 Inclination to say it isn't about 100 (8)
- about 100 (8)
 *31 Tooth needs calcium (6)
- DOWN

 1 Holy Father comes in to countenance rapid rate (4.4)

 *2 Letters in support of roof
- beams (5-4)
 3 Craze for counter agency
- (4)
 *5 Western man's going to
 work on an egg (8)
 *6 Stage whisper describing
 mini-Rugby (5-1-4)

- train (5)

 *14 Mark LX (10)

 17 Polish following Cuban, at home to Italian composer
- 22 Litho may be compensated
- for (6)
 23 Doctor and I, we go out of
- Dream) (5) 27 Cask put on top of a fish (4) Solution to Puzzle No.6,728

Solution to Puzzle No.6,728

STEATA HUGHBALL
PATUY RAGA
ARTHST MAILINTALIN
RILSA AND LIST
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AN ERBORR
NIER WILLOFTBON
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CRUNDA OF TENT

7 Flower brings love and a kiss to the kisser (5)
8 Pleasure from causing pain, unfortunate ideology (6)
9 It may be let off on the

18 Puzzle of Socratic origin (8) 19 Quiet listener to actor in orchard? (4,4)

control (5)
25 She" (Hermia) "was a —
when she went to school"
(Midsummer Night's

| September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | September | Sept

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Septible 108: 22-1108. Septible 108: 22-1108.

The data included under the Authorised section of the FT Unit Trust Information pages is being expanded to improve the service to readers and to conform with new legislation. IMITAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchases. These charges are included in the price when the customer boys units. OFFER PROCE
The price at which units may be bought.
But price at which units may be sold.
CARSELLATION PROCE
The maximum spread between the offer and bid prices is determined by a formula taid down by the government, in practice, unit trust managers quote a much narrower spread, As a result, the field price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in Chromistances in which there is a large excess of sellers of units over bujers. THE

THEE:
The time shows alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are os follows: \$ - 2001 to 1100 hours; \$ - 1101 to 1400 hours; \$ - 1401, to 1700 hours; \$ - 1701, to indicated. The symbols are os follows: \$ - 1001 to 1100 hours; \$ - 1101 to 1400 hours; \$ - 1401, to 1700 hours; \$ - 1701, to indicate.

HISTORIC PRICING
The letter H denotes that prices are set on a historic basis. This means that, unless there has been an intervening portfolio retaination, investors can normally buy and set units today at the prices appearing to the nesspaper which have been set on the basis of yesterday's asset setter.

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GUIDE TO UNIT TRUST PRICING

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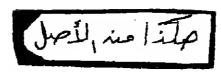


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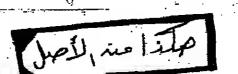
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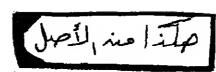
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Exempt mel sin sel and exempt mel sin sel and exempt mel sin sel and exempt mel ser and exempt mel sel and ex Mismicipal Life Assurance Ltd 1 Settlers Hig St. Allocance META 100 Institut (2015) Institut Mismiger 120 Account M Minuraty Juliantines UT Magnet Thing Execut From 190.5 Aure Execut Set 7 ... 99.5 Aure Execut Set 7 ... 99.5 Find In Lis Set 7 ... 99.5 Find In Lis Set 7 ... 48.2 Find In Lis Set 7 ... 48.3 Find In Lis Set 7 ... 48.3 Find Execution Set 7 ... 48.4 Aure Caust Set 7 ... 48.5 Find Execution Set 7 ... 48.7 Find Caust Set 7 ... 48.7 Find **INSURANCES** AA Friendly Society Garetment Mapt M & & Ian Mapt Ltd AA Friendly Sy Aug 12...... 140.91 London A'deen & Nilm, Mil. Assur. Little iset rieurs of Oak Insurance Groups 4 4 4 4 London Life London Life 100 Temple St. Betstol BSI 6EA Amortiscus Sea Filed list. 244 Property Miner 26th 125 Filed list. 155 Miner 26th 155 Filed list refered (A) 155 Property 150 Filed list refered (A) 155 Filed list refered 0272-279179 10.4 527.0 452.4 517.7 780.5 421.7 201.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 221.5 챯 123.8 189.6 126.0 117.2 100.4 105.5 +0.9 +0.9 +0.5 +0.3 10.7 10.7 13.9 10.6 10.6 10.6 Tempirton Unit Trust Numbers Ltd (2003) 20 Copinal Avenue, EC2R 7PA. 01-588 6064 bit Pen & C 'the ... 2 91.31 91.314 95.2141.531 410 Z 290 0 229 4 192 Z 303 4 142 5 182 1 | Intervalional | 1/2,5 | 1/2,0 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2,5 | 1/2, Liternational IP 1821 Lindon & Mainchester Group Westlade Pa, Easter EX5 10S Easter Fold 10S Easter 0800 010575 0392 52153 -5 -3 585 7 -6 4 2150 2 -1 0 2221 2 -1 0 2 -1 | For clear Find only prices in process | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Exemin Muser Fro U.S. 1178.7 205 78 M. 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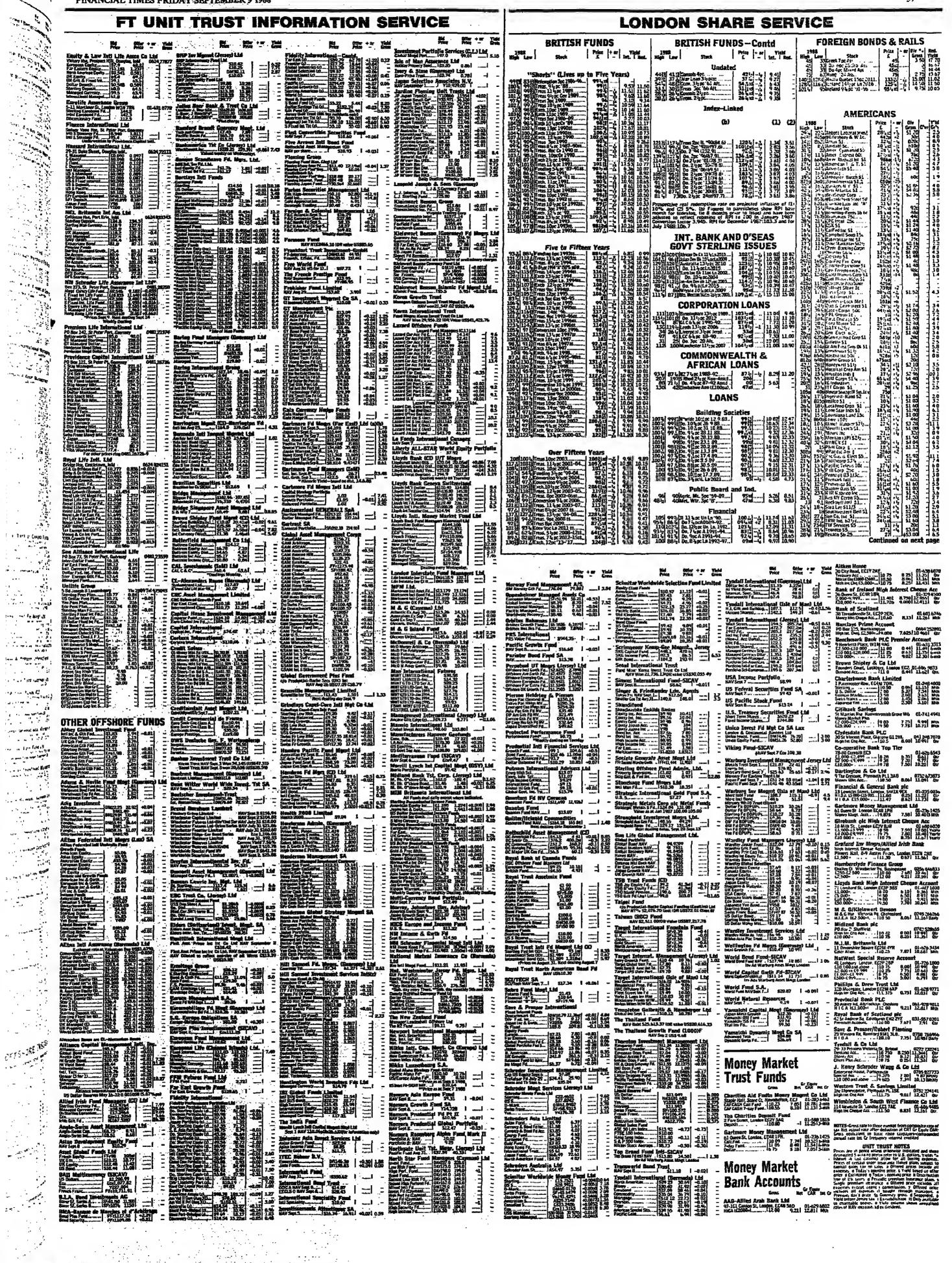
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Sanger Louis Park Land

38	LONDON SHARE SERVICE	FINALCIAL
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41-5 (Missey)_,

LONDON SHARE SERVICE

| Company of the part of the par **LONDON SHARE SERVICE**

FT-ACTUARIES SHARE INDICES

EQUITY GROUPS	7	Thursday September 8 1988						Tue Sep 6	Moa Sep 5	Year ago (appro
& SUB-SECTIONS	-	_	Est.	Gross	Est.	T		-		
Figures in parentheses show number of stocks per section		Day's Change %	Earnings Yield% (Max.)	Div. Yield% (Act at (25%)	P/E Ratio (Net)	xd adi. 1968 to date	Index No.	Index No.	index No.	index No.
1 CAPITAL GOODS (210)	754.97	-1.6	10.96	4.29	11.36	17.69	767.18	769.94	761.92	953.7 1186.7
2 Building Materials (29)	939.79	-2.6 -2.0	12.40	4.57	9.86	21.96 29.01	965.88 1556.66	968.38 1557.28	957.49 1514.41	
4 Electricals (3.2)	12083 29	-1.0	9.66	3,64 4,91	11.54 12.67	53.78	2303.46	2189.70	2084.69	
5 Electronics (29)	1632.01	-1.6	10.83	3.77	11.89	40.42			1662.39	
6 Mechanical Engineering (SR)	399.92	-12	10.15	4.36	12.19	9.39	404.98	466.29	403.54	515.5
B Metals and Metal Forming (7)	462.70	-0.2	10.51	4.18	11.76	7.95	463.49	462_85	468.89	568.9
9 Motors (1.5)	264,40	-1.1	12.48	5.01	9.29	7.86	267,23	268.00	265.88	382.
O Other Industrial Materials (23)	1247.61	-1.1	9.58	4.60	12.45	30.84	1269.84	1250.30		1669.
1 CONSUMER GROUP (185) 2 Brewers and Distillers (21)	1021.10	-1.1 -1.4	9.75	3.90	12.95	19.52 20.86	1932.36 1079.26	1038.59 1079.24		
2) Brewers and Distillers (21) El Food Manufacturino (21)	004.22	-1.9	19.98 9.76	3.83 4.13	11.48	17.99	922.43	929.87	930.58	1088
5 Food Manufacturing (21) 6 Food Retailing (16)	7857.51	-8.7	9.32	3.59	14.16	38,49		1892.01	1884.23	
7 Health and Household (12)	1796.13		6.99	2.73	16.61	18.01		1803.12	1797.39	
0 1 aleres (30)	1273.16	-1.7	9.68	4.01	13.25	29.54	1294.58	1298.09	1288.71	
1 Packaging & Paper (17) 2 Publishing & Printing (18) 4 Stores (34) 5 Textiles (16)	490.99	-2.6	10.68	4.36	12.02	10.47	584.23	511.30	505.70	668.
2 Publishing & Printing (18)	3282.03	-0.8	8.93	4.65	13.98	73.53			3333.A7 739.15	4576. 1860.
4 5 tores (34)	726.21	-0.9 -1.9	11.43 12.79	4.56 5.85	11.50 9.18	15.59 12.69	732.63 551.11	737.95 555.48	553.87	839.
OOTHER GROUPS (93)	27 030	-1.1	11.67	4.63	16.46	20.21	868.96	871.50	870.89	1125
1 Americas (19)	1028 17	-1.5	8.82	2.49	14.34	18.11	1043.39	2047.94	1056.86	_
2 Chemicals (21)	1020.25	-0.9	12.53	4.98	9.58	35.79	1029.95	2030.34	1032.73	1460.
2 Chemicals (21)	1175.56	-0.7	10.89	4.60	10.60	24.52	1184.26	1187.51	1187.19	
5 Shipping and Transport (12)	1828.82	-1.3	11.87	4.92	11.13	35.65	1852.16	1868.70	1858.09	2245.
7 Telephone Networks (2),	914.46	-0.9	12.15	4.87	10.68	20.38	922.35	927.62	921.81	1067.
8 Miscellaneous (26)		-1.7	12.03	4.61	9.47	24.75	1193.06	1192.91	1193.56	1664.
9 INDUSTRIAL GROUP (488)	928.17	-1.2	10.59	4.21	11.74	19,77	931.56 1790.74	935.77	931.91	1178. 2203.
1 OII & Gas (12)		-0.8	11.21	6.41 4.51	11.46 11.70	23.54		1003.69	1000.63	
9 500 SHARE INDEX (500)	985.34	-1.2	10.67						668.73	821.
FINANCIAL GROUP (122)	662.65	-0.8	22.52	5.29 6.87	5.96	21.00 38.77	668.14 640.17	671.58 641.51	637.32	821.
2 Banks (8)	435.79	-8.7 -0.5	22.32	5.18	2.70	26.91	794.84		1008.69	1101.
5 Insurance (Life) (8) 6 Insurance (Composite) (7)	575.64	-1.0		6.06	_	18.42	529.86	523.76	523,42	630.
7 Insurance (Brokers) (7)	923,49	-1.8	10.41	6.90	12.41	32.03	948.47	957.59	957.73	1218.
8 Merchant Banks (11) 9 Property (51)	319.59	-1.7	-	4,48		7.89	325.13	327.30	325.99	482
9 Property (51)	1158.76	-6.8	5.72	2.79	22.40	16.08	1168.41	1172.13	1164.54	1272
O Other Financial (30)	354.74	-8.7	18.94	5.51	11.50	10.24	357,08	357.76	355.93	560.
I Investment Trusts (78)	892.47	-0.5	- 1	3.15		14.93	896.86	896.26	888.87	1135.
L) Mining Finance (2) ,	515.25	+9.2	9.30	3.65	12.16	0.12	514.23	565.26	511.95	675.
1 Overseas Traders (8)		-0.1	10.63	4.87	11.72	35.31		1149.72	1145.33	
9 ALL-SHARE INDEX (710)	903.65	-1.1		4.58	-	22.40	913.28	918.62	915.69	1152
	Index	Day's	Day's	Day's	Sep	Sep	Sep	Sep	Sep	Yea
	No.	Change -16.3	High	1728.6	7	1768.8	5 1764.5	1746.9	1	2253

	FD	KED I	NTE	REST	Γ		AVERAGE GROSS REDEMPTION VIELDS REDEMPTION VIELDS RED 8 7 (a	Year ago approx.)
	PRICE INDICES	Thu Sep 8	Day's change %	Wed Sep	xd adj. today	xd adj. 1988 to date	1 Low 5 years 10.15 10.10 2 Coupons 15 years 9.66 9.64	9.67 9.89 9.77
3 4		118.56 133.88	-0.14 -0.23 -0.26	119.05 134.07 144.49 163.41 132.89	-	9.42 9.90 8.84	6 25 years	10.44 10.18 9.95 10.52 10.35 18.86 10.03
6 7	Index-Linked 5 years Over 5 years	125.99 119.19	-0.52	125.99 119.82 120.15	-		11 Infact-Linked 11 Infaction rate 5% 5yrs. 3.48 3.48 12 Inflation rate 5% Over 5yrs. 3.96 3.93 13 Inflation rate 10% 5yrs. 2.44 2.43	3.44 4.06 3.38 4.06
9	Debenhues & Lyans			115.95	} 	7.37	7 17 25 wars 11.16 11.12	11.43 11.43 11.43
10	Preference	89.94	**********	89.94	-	3.74	18 Preference	10.84

RISES AND FALLS	YEST	ERDAY	· ·
ish Funds porations, Dominion and Foreign Bonds strials strials strials strials strials strials strials	Rises 5 0 194 90 14 1 51 102	Falls 101 21 696 218 49 1 42 56	Same 7 30 707 353 43 11 101
Totals	457	1,184	1,365

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ssue Price	Amount Paid	Latest Restauc	19	98	Sert	Clasing Price	+.
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õ	NH	\$/10	85pm	7pm	#F & H Group 100	8pm	4
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TRADITIONAL OPTIONS

GOTHENBURG & WEST OF SWEDEN

The Financial Times proposes to publish a Survey on the above on

14th October 1988

For a full editorial synopsis and advertisement details, please contact:

Chris Schaanning

on 01-248-8000 ext 3699 or write to him/her at:

Bracken-House, 10 Cannon Street London EC4P 4BY.

FINANCIAL TIMES

COMPANY NOTICES



PETROFINA

Société Anonyme 52 rue de l'Industrie - B-1040 Brussels R.C. Brussels No. 227.957

Notice

to the holders of Warrants to acquire bearer shares of no nominal value of Petrofina S.A.

attached to DM 250,000,000 2% Bearer Bonds 1986-1993 US\$ 100,000,000 4% Bearer Bonds 1986-1996 of Mafina B.V.

The Soard of Directors of Petrofina S.A. shall convene an Extraordinary General Meeting of the Shareholders of the Company on September 28, 1988 and shall propose 8 capital increase of BF 3,406,789,000, namely from BF 34,064,326,796 to BF 37,471,115,796, by transferring reserves to capital. Such increase amount may further be adapted in order to take account of new shares to be issued pursuant to the exercise of warrants until September 20, 1988. until September 20, 1988.

The new shares of no nominal value having, as of January 1, 1988, the same rights and benefits as the currently outstanding shares (except for the special and preferential rights enjoyed by the 125,000 AFV-shares issued upon a resolution passed by the Extraordinary General Meeting of June 3, 1982) shall be issued and allocated, at no charge and without issue of fractions to the shareholders, at the rate of one new share, coupon no. 3 and following attached, for every ten shares held, against remittance of ten coupons no. 2 detached from shares held.

Shares of Petrolina S.A. qualifying for the issuance of the bonus sheres can be acquired at a price of BF 9.110 by exercising of Warrants until Wednesday, September 20, 1968.

The Exercise Price of the Warrants shall, provided that the capital increase occurs as proposed, on and after Monday, October 3, 1988 be reduced to BF 8,280 according to § 5 Subparagraph (3) of the Conditions of Warrants.

Brussels, September 5, 1988

PETROFINA S.A.

KAWASAKI STEEL CORP. se Yen 10,000,000,000 Reverse Floating Rate/Fixed Rate Notes Due 1996

In accordance with the terms and conditions of the Notes, we hereby give notice that the Yen Libor for the penod from 9th September 1988 to 9th March 1989 was fixed at 5.04688% giving the Interest Rate Factor of 8.5322944/360. On 9th March 1989 interest of Yen 23,700 will be a with 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 interest of Yen 23,700 will be a wind on 1989 will be a will be due por Yen 1,000,000.

The Taiyo Kobe Bank Limited London Branch Agent Bank Deted: 9th September 1988

BANQUE NATIONALE DE PARIS

ting Rate Note Issue of USO 400 ons September 1963/91

Period beginning 6th September 1968 and set by the reference agent is 9% % annually.

CLUBS

REMY FINANCE B.V. FRF 300.000.000 GUARANTEED FLOATING RATE NOTES **DUE 1993**

For the three months, September 06, 1988 to December 05, 1988, the rate of interest has been fixed at 8% P.A.

The interest due on December 06, 1988 against coupon or 8 will be FRF 208,54 and has been computed on the actual number of days etapsed (91) divided by 360.

The Principal Paying Agent, SOCIETE GENERALE ALSACIENNE DE BANQUE 15, avenue Emile Reuter LUXEMBOURG

UNILEVER N.V. 7% AND 6% PREFERENCE SUB-SHI

7% AND 9% PRECEIENCE SUB-SMARES ISSUE BY
N.Y. NEDERLANDSCH ADMINISTRATEENTRUSTRANTOOR
Dividends for 1988 of 7% [FL.0.84] Serial No.
105 and 6% [FB.0.72] Serial No. 86 respectively will be paid on and either 3 October
1988. To obtain these dividends cardicates
must be listed on listing forms obtainable
from one of the following bards:
midland Bark pic, Stock Exchange
Services Department, Mariner House,
Peppys Street, London ECIN 40A.
Northern Bark Larrand, 2 Waring Street,
Belfast BTI 2EE.
Civideade Bark PLC, 30 St. Vincent
Place, Glasgow.
Saparze forms are available for use
(a) by Sanks, U.K. firms of Stockbrokers, Solicitors or Chartered Accountrats (b) by
other claimants. Notes on the procedure, in
each case, are printed on the forms.
Fuller details of the dividends may be
obtained from the show-named banks on
and after 20 September 1988.
EXCHANCES of Nedamtrust Cartificesse or Original Shares where applicable
for Certificates of othe hares and very versa
will be SUSPENDED PROM 15 September
1988 to 25 September 1988, both dates
rickness.
Certificates will only be accepted for

inclusive.
Certificates will only be accepted for exchange after 20 September 1988 provided that all dividends declared prior to that date have been claimed.
N.V. NEDERLANDSON ADMINISTRATE-EN TRUSTIKANTOOR
London Timenter Office, Mickland Bank plc.
Stock Exchange Services Department, Mariner House, Peops Street, London ECSN 4DA.

ECRY 4DA.

7 % PREPRINCE
DUTCH CERTIFICATES OF
FIG. 1000 and R. 100
The dividend wait be paid on and after
30-clober 1989 spaints surroist of Doupon
No. 106. Coupons may be encested through
Middand Bank pile at the above address or
through one of the paying agents in the
Netherlands. Coupons encashed through
Middand Bank pile from which fuller details
of the dividend may be obtained in must be
stand on a special form obtainable from the
Bank which commans a declaration that the
cartificates to which the coupons relete do

Tace plc — Rights Issue

In view of the current postal delays. Tace plc and Goring Kerr pic have made an angements with Bank of Scotland to enable applicants, if they so wish, to return provisional elforment letters (in the case of face pic) and application forms (in the case of Goring Kerr pic) (together referred to as "Documents of Title") and the appropriate remittances to W.H. Stentiford & Co., the receiving bankers to the issues.

Goring Kerr plc — Open Offer

Any holders of Documents of Title who wish to see Any lotters of Documents of Tille who wish to acquire new ordinary shares in the tespective companies under such issues may lodge their Documents of Title, together with the appropriate ramittances, at any of the branches of Bank of Scotland set out below at any time during normal banking hous up to 3 p.m. on Thursday, 15th September, 1988, Bank of Scotland will arrange for such Documents of Title and remittances to be returned by 3 p.m. on Monday, 19th September, 1988 to W.H. Sterrillord & Co. at their offices at 1 Love Lane, London EC2V 7HJ.

The following branches of Bank of Scotland will be available for receiving Documents of Title and appropriate remittances:

Brighton Queen Square House 15 Queen Square Bristol 29 Com Street

London Securities Dept 55 Old Broad Street Menchester 19/21 Spring Garden

Norwich 3 Queen Street

The Mound Glasgow 110 St. Vincent Street

Leeds St. Andrew's Chamber 21/22 Park Row

Bank of Scotland is making available its distribution network so as to facilitate acceptance of, respectively, the face pic rights issue and the Goring Kerr pic open offer, but it accepts no responsibility for the ordelivery of the relevant Documents of Title and remittances to W.H. Stentiford & Co. and such documents will not be deemed to be received by Taca pic or Goring Kerr pic or Smith New Court Agency Limited until they are delivered to the offices of W.H. Stentiford & Co.

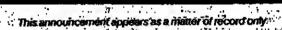
Holders of provisional ellotment letters and/or application forms, vars in any doubt as to what action to take, are strongly recomment to asek their own personal financial advice from their stocking bank manager, solicitor, accountant or other professional advice

This advertisement has been issued by Tace pic and Goring Kerr pic. It has been approved by Smith New Court Agency Limited, a member of The Securities Association and of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. Smith New Court Agency Limited has underwritten the Tace pic rights issue and has made and underwritten the Goring Kerr pic open offer.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE MORTGAGE RATE OF INTEREST CHARGED TO EXISTING BORROWERS WILL BE INCREASED BY 1.50% PER ANNUM WITH EFFECT FROM 23RD SEPTEMBER 1988.

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CORPORATE

SECURITY The Financial Times proposes to publish a Survey on the above on

22nd November 1988

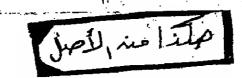
For a full editorial synopsis and advertisement details, please conract:

Mark Jones

on 01-248-8000 ext 3565 OF Write to him at: Bracken House, 10 Camous Street London EC4P 48Y.

FINANCIAL TIMES





LONDON STOCK EXCHANGE

Sell programme hastens market slide

British Industry survey of dis-tributive trades which was said

Equity Shares Traded

Tumover by volume (million)

The London equity market was a decidedly unhappy place yesterday with the recent positive trend, halted on Wednesday, firmly cast aside.

Blue chips were hit by a succession of events which left the FT-SE 100-share index displaying a 16.3 decline at 1739.8. The past two sessions have seen the index retreat almost 28

Government bonds, on the other hand, endured a rather uninspiring trading session.
The share market opened on a wary note, with the FT-SE showing an initial decline in the region of 5 points or so. This reflected news released at:

Account	Dealing	Dete	•
That Declorer. Aug. 15	Sep 5	Sep	10
Option Declaration Sep 1:	Sep 15	800	29 ·
Lesi Dealings: Sep 2	Sup 16	Sep	30
Account Days Sep. 12	Sep 28	Oct	
"New Sinc dealing	in may take	place h	· ,

rights issue by oil group Ultra-mar to help finance the acqui-sition of a US refinery. The news significantly dented the Ultramar share price as well as unsettling the equity market.

FT-A All-Share Index

940

900

by dealers to include evidence of a continuing high level of consumer spending. The longer the morning session wore on the weaker the market looked. Selling pressure built up and reached a But falls in equities were mainly as a result of the sell programme — estimates of which ranged from £50m

peak just before noon as it upwards. - carried out by Smith New Court, one of the leading UK securities houses. became apparent that a major sell programme had taken place. A series of substantial The bulk of the programme was made up by electronics issues but also included a place. A series of substantial individual deals flashed up on the SEAQ ticker, and share prices nosedived with the FT-SE index registering a day's low point of 1,728.6, down 27.5.

This level was accompanied by details of the latest Financial Times/Confederation of the latest by the latest representation of the latest by the latest structure of the latest representation of the latest by the latest structure of the latest by the latest structure of the latest latest structure of the latest latest structure of the latest latest latest structure of the latest handful of other leading

The programme comprised: Ferranti, via two sales of 5m and 6.4m, Racal, 3.1m, Plessey, im and 5.7m, ICI, im, Royal Insurance, 18m, P & O, 1.5m, Rank, 1.4m and Thorn EMI, 1.05m

The opening of Wall Street brought a slight measure of relief to the London market as the session drew to a close with the Dow-Jones Average edging ahead from unchanged

trade overall quietened consid-

appeared on the scene with a recommended counter-offer for

Ruberoid. The hid is worth

230p per share cash, but the Rnberold share price cams back smartly to close 10 down

at 265p as the market showed

concern about the possibility of

intervention by the OFT. Some

quarters thought such a move was highly unlikely. Tarmac's counter- offer values Ruberoid

at £143m compared with Raine Industries' previous hostile bid of £128.2m. Raine has said it

will not increase its offer. Other Building shares sus-

tained a hefty setback, but

most of the business was said

to have been transacted

between marketmakers. The

biggest losses were recorded by

recent speculative favourites with Taylor Woodrow reacting

16 to 603p and Marley 91/4 to

143a. Rine Circle fell 9 to 428p, while comment on the interim

figures brought Wimpey down

11 more to 228p. Sutcliffe Speakman slipped

back 6 to 109p after news of an

acquisition and a rights issue.

raising £4.7m. Eurotunnel units fell further to 287p before

settling 10 off on balance at

289p when an institutional seller found the market unwill-

firmed that consumer spending

interest rates. Another rise in

kept the bears at bay to close

tuppence firmer at 247p as dealers look forward to next

Large amounts of Sears

sbares changed hands as a

downgrading from SBCI Savory Milh and adverse press comment knocked the price

back 6% to 120%p on volume

of 8.3m. Dealers reported good two-way business at the lower

levels and predict that there

will be enough support to keep the price above 120p.

were unnerved by the sell programme, which largely com-

prised the sector leaders. The

Front-line electronics issues

Wednesday's interims.

Tarmac, as expected,

erably.

streahle and Greenall Whitley biggest turnover was in Ferclosed 10 off at 218p. Ciderranti where the business accounted for 12m of eventual maker Merrydown pierced the gloom with a sharp improveturnover of 14m. The shares nent when a buyer with an closed a net 3 off at 83p com-pared with the 84p at which a in-house order went round the market. The shares responded in thin trading, rising 18 to 393p. GrandMet continued to 5m sale was carried out and the 83%p for a 5.4m sale. pick up more stock of Irish Distillers, 4 easier at 432p, but

hands at 282 Ap as part of the programme, were additionally npset by a report that the Office of Telecommunications may recommend the Government to issue a third operating licence for cellular radio telephones. Overall turnover in Racal came out at almost 10m shares. At the close Racal were down 121/4 at 282p.

during initial exchanges to register a gain of almost 10 points

In the background to the

day's events were renewed whispers that at least one of

the prominent marketmakers

could be on the verge of with-

drswing from the market owing to the persistent low levels of activity. Turnover in equities yesterday, comprising customer and marketmaker deals, totalled 4125m.

Gilts were described as "very quiet and uninspiring" by one trader. Longer-dated stocks closed with losses of around %

while mediums and shorts

dipped %, as sterling moved

Plessey fell back to 145p prior to ending the session at 145%p, a net 6% lower; a 5.7m trade at 146p and a 1m deal at 145p made up part of the major sell. Thorn EMI also figured prominently in the prgramme with 1.05m sold at 609%p. At the close Thorn were 12 lower

Amstrad attracted one of the day's major turnovers - 8.7m shares - following the emergence of details of other satellite dishes in opposition to the Amstrad unit. There were two major trades in Amstrad shares – one of 2m at 198p and 1.65m at 198p - and the shares ended 2½ off at 202p.

Cookson's interim figures. up to £86m from £68.8m, found the market uncreceptive and the shares fell away to close 5 cheaper at 247p. Rank Organisation, which featured in yesterday's sell programme, closed sharply lower at 638p, down 25. But better-than expected halfyear profits of £10.1m coupled with a 50 per cent increase in the dividend helped to sustain Hestair, only marginally softer

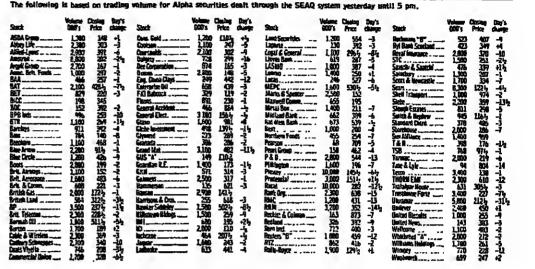
High 86.62 86.79 Fixed Interest 95.93 95.74 95.67 95.62 (28/11/47) (3/1/75) 1614.7 1349.0 (8/2) 1926.2 49.4 (16/7/87) (26/8/40) Gold Mines 734.7 43.5 (15/2/83) (26/10/71) Ord. Ol. Yield
Earning Yid %(full)
P/E Retio(Net)(&)
SEAQ Bargains(Spm)
Equity Turnover(Em)†
Equity Bargains†
Shares Traded (ml)† Gilt Edged Bargains 74.1

FINANCIAL TIMES STOCK INDICES

Ordinary Share Index, Hourly changes Opening 010 am. 011 am. 012 pm. 01 pm. 1416.3 1414.5 1407.1 1394.9 1397.7 ●2 p.m. ●3 p.m. ●4 p.m. 1397.2 1397.1 1401.3 DAY'S HIGH 1416.6 DAY'S LOW 1394.9 Basis 100 Govt. Secs 15/10/25, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, * NII 9.79 † Excludir

Sep 7 Sep 6 95.2 5 - Day average 137.2

TRADING VOLUME IN MAJOR STOCKS



Ranks Hovis McDougall slipped 14% to 352p on rumours that the company will launch a rights issue next week. The rumours were immediately and categorically denied by the company, and most observers think it unlikely that RHM would think of issuing more stock at a time when Goodman Fielder is known to be looking for a buyer of its 29 per cent stake in

Dalgety was also the recipient of some loose talk, dropping 16 to 299p. This time the whispers were that a major securities bouse has downgraded its profits forecast for the group. Again the rumours remained unconfirmed, with analysts pointing out that it would be very late in the day for anyone to be changing to report interims on Monday. Rolls-Royce nudged a penny higher to 129½p in volume of some 1.9m shares with optimism generated by prospects for the group's Tay 670 turbo fan engine. Simon Engineering gave up 3½ to 265p following termination, by mutual agree-ment, of the deal to acquire TR

International (Chemicals).

their forecast with Dalgety due

Dearer money fears caused P&O to capsize and the shares ended 13 down at 544p after a block sale of 1.5m at 544p. But not all Shipping issues sailed stormy waters and Turnbull Scott got up fresh steam, rising 5 to a 1988 high of 200p. Elsewhere, Mersey Dock units advanced 9 to 373p on revived speculative interest.
International stocks traded

nervously before the initial

firm trend on Wall Street became a stabilising influence and final quotations were only a shade lower on balance. ICI, included in the day's sell programme, closed 10 off at 1000p but Glaxo settled 8 dearer at 891p as Robert Fleming Securities followed up its recent buy recommendation with a series of City presentations to institutional investors. Volume amounted to some I.6m. Reckitt and Colman, despite interim profits near the top end of estimates, closed 7 cheaper at 873p.

Other market statistics, including FT-Actuaries

Ultramar call stuns market

Ultramar's call for funds choked off early thoughts of a rally in the oil sector. The news also influenced sentiment. in many other areas of the market where conditions generally were not receptive to fresh demands for cash. Ultra-mar needs the additional funds to acquire Wilmington Refi-nery, located in California, for m. It intends to raise part of this through a £130m net rights issue. The market was not impressed and shares of Ultramar dropped sharply to close 31 % down at 212%p.

Analysts' views of the deal differed considerably. Mr Paul Spedding of Kleinwort Grieve-son reacted favourably, pointing out that Ultramar had beaten major opposition at a sealed bid auction for the Cali-fornian concern. "The City mistrusts oil refining and marketing companies but Ultramar has turned its downstream operations round really well", continued.

Another investment house was of the opinion that the rush of selling which followed the announcement spoke for itself. My clients are still being advised to sell even though the stock may warrant a bid pre-mium, said its sector analyst.

Oils despondent

Good corporate news similarly failed to bolster a despondent oil sector. The majors paid little heed to initially steadier crude prices and British Petroleum issues established low points for the year before sustaining a lasting rally late in the day. Both "old" and part-paid finally settled only marginally lower at 237%p and 139%p respectively. Transport similarly regained poise to close at 974p.

mah and Enterprise both achieved high marks with six-months' profits well up to expectations but the outcome was the same. Their share prices simply followed the general pattern with Burmah finishing at 511%p and Enterprise at 439p, down around 5 apiece. The outlook for Burmah seems particularly promising

with an eight-month lag on crude oil prices and extra revenue to come from disposal of the Calor and Aure share stakes, said analysts. Estimates for the full-year range to £80m excluding profits from

Enterprise benefited from a lower tax charge which boosted the interim result. Market traders had no complaints about the figures but were not inspired. Enterprise these days are not bought for

Chairman of Thorn EMI

Mr Colin Southgate, chief executive of Thorn EMI, the

next February on the retirement of Sir Graham Wilkins, writes Terry

UK industrial and retail group, is to take over as chairman

The change over follows the reconstruction of the group

over the last three years, when

the two men have worked closely together to plan a

series of disposals and acquisitions. Pre-tax profits

have also recovered in that period from a low point of

year to March 1988. Sir Graham, 65 in January

£105m in 1986 to £225m in the

was previously chairman and chief executive of Beecham,

the pharmacenticals company. He retired from Beecham at

on the job at Thorn when the

Mr Southgate, 50, became managing director at that time, taking on the chief executive role two years later. He has

been strongly associated with the concept of rationalising the group's activities and

concentrating only on a few main sectors where it has the

scale to be a significant force in international markets.

During the last three years, Mr Southgate has consequently

and rental activities, acquiring

companies in both Europe and

expanded the group's retail

the US, and made similar

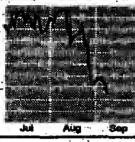
the age of 60, but then took

company was shaken by a management and financial

400

300

200



trading prospects but for speculative hopes of a takeover which rarely seem to fade, ventured one marketmaker.

BET resistance

Resisting the general mal-aise, BET, the industrial holding company, held up reasonably well closing only 3 cheaper at 220p. Hoare Govett. (HG), the securities house, in its first commentary on conglomerates point out BET's defensive merits.

HG's analysts say in the current climate the group's sup-port services such as towel rental and office cleaning are a classic defensive play. BET offer a yield which even in today's markets rates as a plus,

they say.

Even without a re-rating following the re-focusing the following the re-focusing defensive. shares' oputstanding defensive characteritics rate an under-valued tag. "Next week, BET launches a new £3m marketing drive via regional and London. TV advertisments. At the same time the company is embark-ing on a US roadshow visiting New York, Philadelphia and

Morgan malaise

Morgan Grenfell confirmed the merket's worst fears with 53 per cent on last year. The figures were at the bottom end of analysts' forecasts and immediately revived speculation that the troubled merchant bank could soon lose its independence to a large probably foreign — predator. By the close the shares had slipped 24 points to 252p. The most likely source of

any bid would be Europe,

believes Mr. David Poutney, merchant banks analyst at BZW. And whoever would want to buy Morgan could only be interested in its \$27hn-fund management business "which alone is worth the share price." With the banking book stag-nant, underwriting opportunities thin and major losses on

equities and gilts, fund man-

Jul . Aug Sep

agement is Morgan's only real strength, says the BZW ana-In the long-term, Poutney sees little way out of Morgan's current predicament. The losses on the securities side are likely to total \$25m for the year. "Even if the market were to turn up Morgan would not have the capital to take advan-tage of any subsequent se in turnover and mar-

ket share. They really are caught between the devil and the deep blue sea." The clearing banks went easier across the board with the market; the one surprise was that Morgan Grenfell's poor interim figures did not knock the wind out the merchant banks. Kleinwort Benson closed unchanged on 330p, Hambros only lost a penny to
221p, and Warburg slipped just
22th, and warburg slipped just
22th to dealers contrades, which to dealers contrades, which to dealers contrades, which to dealers contrades.

Willis Faber dropped 8 to 231p on the back of had figures 231p on the back of had figures has not been seriously from Morgan Grenfell. Willis restricted by the recent rises in has a 20.78 per cent stoke in the troubled merchant bank. the troubled merchant bank. the cost of borrowing therefore A series of falls among the cannot be ruled out, say the Brewery majors showed Bass gloomier marketmakers.
down finally 8 at 740p with Of the few stocks to bu down finally 8 at 740p with

Of the few stocks to buck the trend Ward White continued to tish & Newcastle (334p) around be a good market ahead of next 7 lower. Only Guinness put up resistance, shading only to better at 268p as the market 317p awaiting next Thursday's reacted favourably to news interim statement after which that the group is to sell off its the group can re-activate its Owen and Owen department the group can re-activate its Owen and Owen department share buy-in programme, store subsidiary for somewhere Regional losses were equally around £75m. Woolworth also

BREW HOUSE (16).
AMERICANE (1) Waste Mgod., CARADIANE
AMERICANE (1) Waste-Mgod., CARADIANE
(1) Taronto-Joon., SREWENE (1) Merrydows,
CHEMICALS (1) Flechen Envent. Serve.,
ELECTRICALS (1) Flechen MacLetian, POODS
(1) Kraft Inc., BYDISTRIALS (2) Mochrison,
Rauma-Repola., WAURANCE (2) American
Gen., Corp., Lincote Nez., LERUPEE (1) Redio
City "A. NV., PROPERTY (1) Calrid Gra.,
BESPENSO (1) Turnbull Soot, TRUSTS (1)
Polinco NV., SHEED (1) Par. Austen, Mining.
SWEWLOWS (10).
SWEWLOWS (10).
TORNO 10, 100 CO., AMERICANE (1)
Tenna Inst. CARADIANE (1) Energex
Minerals., BANKS (2) First Nez. Fin., Marburg
(3,G.). SHELDOMS (4) Creek Nobel S 1; 6
Pd., Lavell (1,J.), McCarthy & Stone.
Smith (M.M.) "A", Vival, ELECTRICALS (8)

NEW HIGHS AND LOWS FOR 1988

APPOINTMENTS

ABS Kent, Citer, Feedback, POODS (S)
Acatos & Halcheson, Dee Gorp., Hazelwood,
Stathews (D), Thorntons, NRUSTRIALS
(YE) Abertoyle, Fergabrook, J.S.Pathology,
Clean-E-2s, Aloquel Inv., Norcros, Page
(Michael), Bhitch, Thornson T-Line, Tombins,
sestimators (E) Durtam (D.G.), Royal Insous,
L.SERFE (D) HI-Tec Sports, Meoca Labs,
MEWERPREN; (G) Acord Poblishing, Collins
(Wris), Do. "A", Utd. Newspopers, PAPERS
(S) Erunshing, Burst, Ferguston Ista, Hobrass
Marchant, Monotype, WCRS, PROPERTY
(D) Erretts, Neurosisch, Do. 2.55st,
Palmerson Hidge, Warrante 1885-22, SHOES
(T) P. & O Sch. Warrante 1885-22, SHOES
(T) PI G. TRUSTS (T) Authylium, GLS.) almerson Hidge, Warringtons, Stervet,
) P & O Seb. Werrante 1986-92, SHOES
) P & O Seb. Werrante 1986-92, SHOES
B B.P. (Partly/Pd), Cerlees, Chair Res.,
dinburgh Of & See, Pirelided OR, Royd
nergy, OVERSEAS TRADERS (1) Chilling

acquisitions in Europe in the lighting industry. At the sam time, Thorn has disposed of a large number of assets, including its domestic appliance business to Electrolux of Sweden, and its Ferguson television manufacturing activities to Thomson of France.

er Calin Southeate, chetrman

and chief executive of Thorn

The rental and retail activities currently account for about 60 per cent of group profits, and Mr Southgate has recently indicated that he would like to build up the group's other activies to achieve a more even balance.

Mr K.L. Gerdner, dean of education at Brighton Polytechnic, has been appointed director of education at the INSTITUTE OF ACTUARIES in succession to Mr W.W. Truckle who retires in November.

■ HOENIG INSTITUTIONAL SERVICES has appointed Mr Nigel Johnson-Hill as chief executive. He was managing director of Hoare Govett's international division and has been a non-executive director of HIS since the company was established in 1985.

■ CEMENTATION MINING. a Trafalgar House Company, has appointed Mr Graham Hancock as finance director.
He will be based at the company's headquarters and will be responsible for the financial control of the company and its commercial

BRITANNIA BUILDING SOCIETY has appointed Mr John Fenton as general manager designate. He will succeed Mr Roy Griffiths as general manager (development) when Mr Griffiths retires in April Mr Fenton was deputy general manager (development) and was involved in the Society's entry into estate agency and Britannia's open plan

Mr Bill Morter has joine WATMOUGHS (CITY PRINT) as sales director. He was sales director of Greenaway

refurbishment plan

Mr Anthony Smith, Mr Nicholas George and Mr Andre Teeuw have been appointed directors of BARCLAYS de ZOETE WEDD SECURITIES. Also appointed directors are Mr Jeremy Steen, Barclays de Zoete Wedd Glits, Mr



appointed chairman of PARK STREET MANAGEMENT COMPANY, the property man-agement subsidiary of Taylor Woodrow Property Company, and Mr Clive Sparkes has been made managing director. Mr.
Judd was appointed deputy
managing director of Park
Street Management in September 1963. Mr Sparkes became a
director of the company last
October October.

Dermot Hurford, Barclays de Zoete Wedd Capital Markets, Mr David Taylor Barcleys de Zoete Wedd Services, and Mr James O'Hegarty, Barclays de Zoete Wedd Portfolio

 Mr Mark Drury has been appointed managing director of EDINBURGH MARITIME and FORTH PROPERTIES in Scotland. He was formerly with Edward Erdman.

NURDINE PEACOCK



Interim Report for 6 months to 2nd July 1988

Unaudited results for the half year ended 2nd July 1988 and the comparative figures for 1987 are:

	Six months to 2nd July 1988 £000	Six months to 4th July 1987 £000	53 weeks ended 2nd Jan 1988 £000
Turnover	479,974	423,554	904,085
Profit before tax	5,079	3,168	17,805
Taxation	1,905	1,122	5,982
Profit after tax	3,174	2,046	11,823
Dividends Preference Ordinary	1,767	1,513	2 4,040
Retained profit for the period	1,407	533	7,781
Earnings per ordinary share Before tax After tax	5.3p 3.3p	3.3p 2.1p	18.7p 12.4p

Interim dividend 1.85p per share (1987 - 1.6p per share) payable on October 28, 1988 to members registered at close

The Information set out above does not comprise full accounts within the meaning of Section 254 of The Companies Act, 1985. Full accounts for the year ended January 2, 1988, on which the auditors have given an unqualified opinion, have been filed with the Registrar of Companies.

Chairman's Statement

I indicated in my Annual Statement and at the Annual General Meeting that 1988 had started better than the previous year and I am pleased that the profit figures have confirmed this.

There were a number of positive factors. Sales showed a strong improvement. The Budget, though less beneficial to us than two years ago, did increase excise duty sufficiently to pay for our costs of holding the extra stocks that are needed to be competitive. Not least, we achieved a big reduction in the stock losses through theft that I reported as being a problem at this time last year. The enthusiasm shown by our Staff in helping towards reducing this has been tremendous and I want to thank them here for all their help in this and generally in producing these results.

Sales cootinue to show a good increase, being over 12% up for the year so far. Exeter opened on 22nd August and made a very good start. Derby opened in April and is progressing well and, as I predicted at the AGM, we are well on course to exceed £1 billion sales for the year - all schieved by organic growth.

We have recently made some important changes to our management structure and also a number of appointments which were publicised at the time in the Press and which I will outline in greater detail in my next Annual Statement. The main change centres on the creation of a Northern Division, and two other geographic Areas - Soothern and Ceotral - each headed by a Personnel & Operations Director appointed from within the Company. The objectives of this change are to help retain our highly personal relationships with our Staff, to improve internal communication and to help in accelerating our expansion programme, most of which must now be northwards.

The first two branches in this expansioo programme are already in the pipeline. Our new branch at Stoke-oo-Trent is progressing well and we have purchased a building at Hull to be renovated and extended. In addition we shall shortly start building a large replacement for our Cardiff branch. All these should be operational in 1989.

At the last AGM, an SAYE share option scheme for staff was approved. Since then, I am happy to say that over 1,000 employees have taken up the option - some 36% of those eligible. This compares very well with a oational average of under 25% for such schemes.

> W. M. PEACOCK Chairman

September 7, 1988

Norths & Percock PLC, Bushev Road, Raynes Park, London SW20 041 Tel: 01-946 9111 THE CASH AND CARRY WHOLESALERS

THE DESCRIPTION OF THE PARTY OF THE PARTY.

COMMODITIES AND AGRICULTURE

Nickel tumbles \$1,800 in 'overdue correction'

NICKEL PRICES fell sharply on the London Metal Exchange

on the London Metal Exchange in what dealers described as an overdue correction to the high levels of the past few months. The decline began in premarket trading after some selling hy West German merchents. As prices started to fall, stop-loss selling orders were triggered and the crucial \$12.500-a-tonne chart support \$12,500-a-tonne chart support level was breached. By the end of the afternoon there was some panic selling, dealers said. Cash mckel closed down \$1,800 at \$11,300 a tonna, equivalent to \$5.13 a lb.

Analysts said no single reason for the sudden reversal could be picked out, but a fail had been expected as hopes increased that the extremely tight supply situation in the metal would start to ease. Nevertheless, the market cash nick remains tight. Stocks in LME a tonne.

warehouses last week fell 264 tonnes to 2,784 tonnes, which compares with 4,584 tonnes at the beginning of the year. Despite the price falls, the premium for cash nickel last might was \$450 over nickel for delivery in three months. "It's tight — hut it's not going to worsen," said Mr John Harris of Rudolph Wolff.

"People were not going to hold their long positions. We have essentially had a long market liquidating itself in a

Yesterday's cash price is just over half the record price paid for nickel on March 28 this year, after extraordinary demand for the metal from stainless steel producers high-lighted supply shortages. But prices are still at historic highs at the beginning of this year cash nickel was just over \$5,000

Part of the reason for this year's high prices has been the troubles suffered by a single producer – Falconbridge of Canada. Problems with shipments of ferro-nickel from its Dominican Republic subsidiary were followed by a strike at the Sndbnry smelter in Ontario. The fact that those problems are now behind the company contributed to yesterday's price fall, analysts

In addition, buyers have not In addition, buyers have not come into the market to the extent that might have been expected this month, according to Mr Neil Buxton of Shearson Lehman. He believes that given the tightness of the market, the potential for a bounce in prices remains, although it will not receip all vesteriar's will not regain all yesterday's

"We have said goodbye to \$6.50 a lh," he said.

Tribunal backs coal owners

By Bruce Jacques in Sydney

THE AUSTRALIAN coal industry is facing probably the most fundamental work year history following a decision handed down yester-day by the Coal Industry Tribunal, the federal dispute-

settling body, In a complicated 160-page decision, the tribunal has granted most of the changes applied for by the industry'e employer groups, but has also handed out a wage rise to the unions. And to give its ruling some clout, the wage rise - an across the board A\$16 a week plus 4 per cent - is conditional on the unions agreeing to the changed work practices

The major changes include:

Mines should extend their production week to six days,

By Nancy Dunne in Washington

vided for this year and promised for 1989, is "an incredible boon" for the impoverished American tan-

ning industry, according to Ms

Barbara McMurray of the Leather Industries of America

trade group in Washington. With the aid, provided under

the department's \$110m Targeted Export Assistance Program, the trade group has

sponsored shows end promo-

tions in Korea, Taiwan, Italy, India and France, pushing US

leather for use in shoes and jackets. US leather exports

MORE THAN \$3m in rose 24 per cent last year, assistance from the US Ms McMurray views the Agriculture Department, pro-

• Shift lengths should be extended from seven to eight Production should continue year-round, and the three week Christmas shutdown should be

Mr John Maitland, president of the Miners' Federation, the key coal mining union, was guarded yesterday in his reaction to the document, privately showed their dis-appointment. Mr Maitland said document contained potential for conflict, especially if the producers tried to force through the recommended

But the executive director of the Australian Coal Association, Dr Barry Ritchie, left little donht that employers expected the Tribunal's recommendations to be imple-

USDA aid as a means to offset Japanese trade policies. She

says these protect domestically-produced leather, which is later dumped in third markets.

46 US organisations have been listed for assistance next year.

so that they can promote US

agriculture exports. The aid is given in the form of certifi-cates, which can be exchanged

for commodities from govern-

The recipients generally

hand the certificates over to

brokers for redemption or accept bids from various grain

ment-owned stocks.

Under the TEA programme

mented as soon as possible. He said producers had already incurred losses of more than A\$500m (£235m) in the past 18 months in their campaign for improved work practices.

Dr Ritchie said implementa-

tion of the recommendations was vital to the industry's survival, and in removing the current centralised system, they had allowed flexibility for industrial negotiations to be carried out at individual mine sites, taking into account particular regional problems.

The Trihunal document pointed out that m the past 18

months, coal miners had foregone wage rises and agreed to some changed work practices while their numbers had been cnt dramatically. The wage rise would only hring them into line with the bulk of the

trading houses. These often

polies are tight.

fetch 101 per cent.

reported gains.

y more than the face value the certificates when

When the leather producers

joined the programme last

year, they were generally trad-ing at 108 per cent of their nominal value. Supplies have eased, however, and they now

groups have had the most dramatic results from the pro-gramme, according to Mr Gino

Tosi of the USDA. The Calif-

ornia Walnut Commission, which is scheduled to get \$3m

in this fiscal year, has also

Aid 'boon' for US leather industry

single market - and with it the likelihood that weaker rural areas will be vulnerable barriers - is another impor-tant consideration for policymakers in Brussels.

The ideas, however, are cer-tain to provoke plenty of contain to provous pleasy troversy over the coming few-months. For instance, some ministers may be troubled by the Commission's eagerness to allow certain regions to pro-mote their agricultural prod-ucts through special quality labelling schemes — en initia-tive which could run counter to the ideal of a free internal market.

Ministers gather for rural policy discussions

By Tim Dickson in

AGRICULTURE MINISTERS of the European Community were last night gathering near Athens for an informal meet-ing which should give some sign of their first reactions to the European Commission's important new plans for rural

areas.
The two-day session is not intended to reach any firm conclusions, but it should provide a broad indication of national views on the Commiseion's ideas for promoting more balanced rural develop-

Set ont in a document (Comm 501) finalised by the Brussels authorities in July, these go beyond questions directly relating to agriculture to embrace wide-ranging social and regional issues. They include ideas for new measures for forestry, environmental policy, energy, research and email and medium sized

The paper is designed to stimulate debate on what officials in Brussels acknowledge are at times the severe social and regional consequences of the more restrictive price policies of recent years and the reality of continued global food surpluses for the foreseeable future.

Besides concentrating on the traditional rural areas of deprivation and depopulation (notably in the Mediterranean countries of the Community), the paper also envisages the direction of some of the new resources from the EC'a enlarged Social and Regional funds to other regions more recently beset by rural eco-nomic decline.

In particular the Commission is keen to emphasise the importance of food processing (with correspondingly less concentration on primary agri-culture), as well as helping rural areas to find other forms of economic activity such as

The approach of the 1992 deadline for the inauguration of the community's so-called to the dismantling of trade

Potato board could face abolition

By Bridget Bloom, Agriculture Correspondent

these now in force.

The move, which could imply the abolition of the Potato Marketing Board, comes at a time when the future of other monopoly agricultural marketing boards — most notably those involved with milk and wool — are under

scrutiny.
The UK is the only country in the European Community to give extensive support to potatoes. Some 6m to 7m tonnes, worth around £500m, are grown annually.

The Potato Marketing Board controls the market through three basic devices: controls on acreage, with quotas for individual producers; market through three basic devices: controls on acreage, with quotas for individual producers; market intervention in times of over supply based on a system of pre-season contracts; and supplementary plementary support huying arrangements, known as the direct intervention system, which in the absence of pre-season contracts, allows the Board to intervene quickly to prevent local surpluses pulling down national prices. In a consultative document

THE BRITISH Government issued this week by the organisation of the country's potato market after 1991 but has opened consultations with the potato industry on what if any measures should replace those now in force.

The move, which could imply the abolition of the lens to fund the PMB's helps to fund the PMB's

market intervention and administrative functions. Three possible alternatives are proposed: complete aboli-tion of market support, includ-ing abolition of the Board, in favour of a free market; aboli-tion of the area controls and tion of the area controls and quota powers of the PMB but retention by it of some market intervention, research and development and promotion and quality control; and the replacement of the PMB by a system which could have many of the same features as at present hut would include representatives of non-producer interests.

producer interests. The annual value of retail sales of potatoes and potato products is some £2.5hm, or five times the value of raw potato

Mr Arnold Hitchcock, PMB chairman, said earlier this week that the Board believed there were strong arguments for maintaining arrangements similar to those which had been central to the stability of the potato industry and continued to be necessary to maintain investment, profit-ability and consumption, a Board statement said.

However, the Government itself, many potato processors and some of the more efficient producers may well prefer a free market, or more nearly free market solution.

The Government's consultstive document notes that many of the conditions which led to the introduction of the postwar control arrangements no longer persist. "Investment in the industry in irrigation and storage, the increased specialisation and efficiency of production, the improvement of marketing and the develop-mant of added value outlets and increased importance of processed potato products" had reduced the need for domestic control, it said.

As the document notes, the

as the document notes, the ending of import controls in 1979, together with the high domestic prices maintained by the Board, has sucked in imports from competitive producers within the EC and elsewhere with the EC and elsewhere with the suckey are the producers. where who now supply nearly lo per cent of the home market. Efficient potato producers believe that with lower prices

and the abolition of quotas they could compete for this market share, while processors would welcome cheaper

The report also notes that abolition of the PMB and its powers would "be consistent with the deregulatory approach which the Government has adopted in many ment has adopted in many other sectors of the conform. The Government has apparently not yet taken a decision on whether either the Milk Marketing Boards or the Wool Marketing Board should be ultimately deregulated. In addition to controlling production and prices these Boards, unlike and prices these Boards, unlike the PMB, are also virtual monopoly buyers of their prod-

However, under EC regula-tions, Britain will shortly be required to allow the import of fresh milk from other Commu-nity states, a move which some observers believe could signal the beginning of a deregulation

process.

A indgement of the European Court earlier this year required Britain to introduce regulations allowing such imports before January I.

Potato Market Policy in
Great Britain after 30 June 1990. Ministry of Agriculture, Fish-eries and Food.

Sparks fly in aluminium dispute

John Murray Brown on a Japanese-Indonesian joint venture

HE FAMOUS description of aluminium, by Mr Ralph Nader, the US safety campaigner, as "congealed electricity", came to mind this week as sparks flew in the latest dispute at the Asahan aluminium plant, the Japanese-Indonesian joint venture which only 12 months ago was forced into a major

corporate restructuring.
Rising world ingot prices,
improved plant efficiency and growing domestic demand for the metal has prompted the Indonesian partners to seek an increased production share from this Y411bn (£1.8bn) venture. Power is the single largest cost component in aluminium smelting, and the Indonesians claim their contrihution in this area is inadequately reflected in the

current output split.

The issue came to a head last month following Jakarta's decision to stop all aluminium shipments from the north Sumatran smelter, a move which trade officials in Tokyo said was a clear breach of What we want is a reason-

able share which reflects Indonesia's contribution to this project." said Mr Abdul Rauf Suhud, the Indonesian chairman of the Asahan Develop-ment Authority. Asahan is Indonesia's largest foreign investment outside the oil and gas sector. An example of the first generation of Japanese overseas projects, the plant was one of five major aluminium operations re-located when Japan restructured its smokestack industries in the wake of the dramatic hike in energy costs in the late

The project comprises South East Asia's largest smelter, with output capacity of 225,000 tonnes of aluminium a year, 59 per cent of which currently goes to Japan, in proportion to the equity of the Japanese partners.

Power is provided by two hydro-electric stations with combined ontput of 603 Mw, driven by water from Lake Toba, a volcanic lake some 900 metres above sea level. Feasi-bility studies have already been completed for a further-

The project has had more than its fair share of headaches, Earlier this year the company amounced out-put reductions, as a dramatic level played havoc with Asahan's turbines at Tangga and Siguragura. Officials at PLN, Indonesia's state utility, complained when local industries and households, which rely on Asahan for power sup-

Project officials are more concerned about the turbines are being damaged by increased water pollution, believed to be caused by the rayon and pulp timber operation, recently set up on the lakeside. The current boardroom row

could well prove more serious still. Mr Subad said in January that Indonesia was seeking a majority share in the project, in a bid to satisfy growing demand in construction and component labrication industries. The Investment Roard tries. The Investment Board currently requires foreign companies to divest a 51 per cent stake to local partners

within 15 years. The Japanese, however, have always insisted that, as a natualways insisted that, as a hatu-ral resource project. Asahan should not be treated under foreign investment rules. Besides, as one Japanese hanker pointed out, Indonesia, is in no position to inject further capital into Asahan. Nonetheless the dispute has served in highlight questions

served to highlight que a "natural resource" in a industrial process where the imported, in this case from

Australia.
It depends on how you look

this week. The abaring system is clear if we speak in strictly husiness terms. But in this case we have to put our natural resource, our lake, as a stake in the project, which cannot be measured in money terms alone."

A year ago Asahan was

A year ago Asahan was looking at cumulative losses of around \$150m, which if left uncorrected could have exceeded \$15m within the

Last February, Japan's soft loan agency, the Overseas Eco-nomic Co-operation Fund. agreed a further Y24bn cash injection to help ease the debt burden. Japanese banks, led by the Export Import Bank, agreed to lower interest rates and rescheduled debt principal. In June the Indonesian partners completed the restructuring, raising their equity hy Yen32bn, in a debt-for-equity swap, increasing Indonesia's share capital to 41 per cent from 25 per cent.
This year's \$50m operating

profit in the 12 months to March is largely put down to per cent, peaking at around

\$3,000 a tonne.

Both sides will want to avoid a protracted dispute, with alu-minium prices still high and with the project in the black for the first time in its seven years of operation.

LONDON MARKETS

COFFEE PRICES retreated from early gains yesterday in nervous trading. Nevertheless, three-month robusta closed £13 shead at £1,101 a tonne. Dealers said the market was in two minds — It did not want to push too high on fears of dry weather in Brazil, but was supported by some nearby supply tightness for robustas. Cocoa prices recouped some of Wednesday's losses, with the three-month contract returning above £800 a tonne.

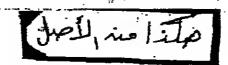
\$1,300 a follow sevel.		
SPOT MARKETS		
Crude oil (per barrel FOB S	September)	+ 05 -
Dubei Breni Blend W.T.L (1 pm est)	\$11.65-1.70q \$13.25-3.35 \$14.35-4.40q	+.095
Off products (NWE prompt delivery per	tonne CIF)	+ or -
Premium Gesoline Gas Oli Heavy Fuel Olf	\$168-171 \$121-122 \$82-63	-1
Nephthe Petroleum Argus Estimates	\$126-130	+2
Other		+ or -
Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Palledium (per troy oz)	\$428.25 659c \$531.75 \$123.75	+1.50 +0 +7.75 +1.00
Aluminium (free marier) Copper (US Producer) Lead (US Producer) Nickel (free market) The (European free market) The (Kuala Lumpur market) The (Naw York) Zine (Euro. Prod. Price) Zine (Euro. Prod. Price) Zine (Euro. Prod. Price)	\$2545 109 ⁵ s-111e 36c 580c 24406 10.71r 355.50c \$1312.50 66 ⁵ s c	-20 -20 -10 -15
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	114.02p 163.91p 71.13p	-0.44° -0.61° +1.54°
London delily sugar (raw) London delily sugar (white) Tate and Lyle export price	\$262.58	-12.4 -7.5 -8.5
Barley (English feed) Meize (US No. 3 yellow) Wheat (US Dark Northern)	£110 £128.5v £123.25	
Rubber (spot) P Rubber (Oct) P Rubber (Nov) P Rubber (KL RSS No 1 Oct)	69.23p 75.75p 76.23p 326.5m	+1.00 +1.00 +1.00 +0.5
Coconut oli /Phillippinests	ecoc	

Shortcovering provide			COFFE	E E/tonne		
in a possibly oversold by lower sterling, des		Deteco		Close	Previous	High/Low
Shortages of good qui		v	Sep	1112	1092	1123 1105
delivery cocoa lent ad			Nov	1101 1090	1068 1068	1112 1094
But bearish long-term			Mer	1073	1046	1097 1084 1083 1084
not helped by ICCO pi			May	1072	1040	1077 1080
surpluses for the next			Jly	1074	1034	1075 1068
On the LME zinc price			Sop	1070	1040	1070
tharply in the afternoon, 1,300 a tonne level.			Turnow	er: 6331 (i Micetor p	(US crices (US c	of 8 tonnes cents per pound (111.02); . 15
SPOT MARKETS			Sep 7:	Comp. d	lelly 116.01 109.633.	(111.02); . 15
Crude oil (per barrel FOB	September)	+ 0" -				
Dubed	\$11.65-1.70)q	SUGAL	(S per to	nne)	
Brenj Blend W.T.L (1 pm ost)	\$13.25-3.35 \$14.35-4.40		Rew	Close	Previous	High/Low
OS products			Oct	229.80	227.60	202.00 225.80
(NWE prompt delivery per	tonne CIF)		Dec	238.00	233,00 226,80	230.00 230.00 232.00 226.00
		+ or -	May	225.40	221.60	226.00 220.20
Premium Gesoline	\$168-171	-1	Aug	223.00	218.00	219.00 218.00
Gas Oll	\$121,122		Oct	222.00	218,00	
Heavy Fuel Oif Nephtha	\$82-63 \$128-130	+2	White	Close	Previous	High/Low
Petroleum Argus Estimale	8		Oct	257.00	255,00	256.00 252.50
Dilher		+ or -	Dec	251.50 253.00	249.00 250,00	251.00 247.00 252.00 248.00
Gold (per troy oz)	\$428.25	+1.50	May	254.00	251.50	251.00
Silver (per troy oz)	659c	+0	Aug	254.00	251.00	251.00
Platinum (per troy oz)	\$531.75	+7.75	Oct Dec	252.50 254.00	251.00 251.00	251.00 248.00 250.00 242.10
Palledium (per troy oz)	\$123,75	+ 1.00	Lec	204.00	20170	230.00 248. NJ
Aluminium (free mariest)	\$2545	-20	Turnow	er: Raw :	3676 (4874)	lots of 50 tor
Copper (US Producer)	109 %-111c	-20	White 1	767 (1662) ·	
Copper (US Producer) Leed (US Producer) Vicini (free market)	109 %-1110 36c 560c	-20	White 1 Peris- V	767 (1862 Yalto (FFr	per tonne):	Oct 1608, Dec
Copper (US Producer) Leed (US Producer) Vickel (tree market) Tin (European free market	109 ⁵ g-1110 36c 560c 24405	-20 -10	White 1 Peris- V Mar 15	767 (1862 Yalto (FFr	per tonne):	
Copper (US Producer) Leed (US Producer) Vickel (tree market) Fin (European free market Fin (Kuala Lumpur market Fin (New York)	1095 ₂ -1116 36c 560c 24405 10.71r 350.50c	-20	White 1 Peris- V Mar 15	767 (1662 Vhite (FFr 70, May 1	per tonne):	Oct 1608, Dec
Copper (US Producer) Leed (US Producer) Mickel (tree market) Fin (European free market Fin (Kuala Lumpur market Fin (New York) Linc (Euro. Prod. Price)	1095 ₅ -1116 36c 560c 24405 10.71r 350.50c \$1312.50	-20 -10	White 1 Peris V Mar 15 GAS OI	767 (1662 Yhite (FFr 70, May 1 L \$/tonne	per tonne): 570, Aug 1	Oct 1608, Dec 575 Oct 1580
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Copper (US Producer) Lead (US Producer) Vickel (free market) Ilin (European free market) Ilin (Kuala Lumpur market Ilin (Kuala Lumpur market Ilin (Ruse York) Ilinc (Euro. Prod. Price) Ilinc (US Prime Western) Cattle (five weight)† Steep (doad weight)† Sigs (live weight)†	109%-1110 360 560c 24406 10.71r 350.60c 31312.50 665%c 114.02p 163.91p 71.13p 2257.4s	-20 -16 -18 -0.44* -0.51* +1.54*	Sep QAS OI Sep QC Nov Dec Jen Feb Mar Apr	767 (1662 White (FFr 70, May 1 L Shonne Close 119.50 123.00 124.50 126.50 125.00 123.50 121.00 120.00	Previous 121,00 123,00 124,25 120,50 125,25 120,50 125,25 122,25 122,00 120,25	Ngh/Low 122.50 119.50 124.25 122.00 127.50 123.76 127.50 123.76 127.50 125.50 127.25 125.25 123.50 123.00 120.75 121.00 120.00
Copper (US Producer) Lead (US Producer) Vicital (free market) In (Kuala Lumpur market) In (Kuala Lumpur market) In (Kuala Lumpur market) Inc (Euro-Prod. Price) Linc (US Prime Western) Lattic (Rive weight) Space (dead weight) Linc (live weight) Lonton daily super (white) Lonton daily super (white) Lette and Lyle export price Sarley (English feed)	100%-1110 35c 560c 24405 10.71r 352.50c 51312.50 65%c 114.02p 163.91p 71.13p 5257.49 \$250.5 \$2110	-20 -16 -18 -0.61* +1.54* -12.4	Sep QAS OI Sep QC Nov Dec Jen Feb Mar Apr	767 (1662 White (FFr 70, May 1 L Shonne Close 119.50 123.00 124.50 126.50 125.00 123.50 121.00 120.00	Previous 121,00 123,00 124,25 120,50 125,25 120,50 125,25 122,25 122,00 120,25	MgWLow 122.50 119.50 124.25 122.00 125.50 125.00 127.25 125.25 123.50 123.00 120.75
Copper (US Producer) Leed (US Producer) Nickel (tree market) I'm (European free market) I'm (Kuala Lumpur market I'm (Nala Lumpur market I'm (Nala Lumpur market I'm (Nala Vorld) I'm (Euro. Prod. Price) I'm (US Prime Western) Cattle (tive weight)† Sheep (dead weight)† I'ga (tive weight)† I'ga (tive weight)† I'ga (tive weight)† I'm (I'm	100%-1110 350 580c 24406 10.71r 355.60c \$1312.50 65%c 114.02p 163.91p 77.13p \$257.49 \$262.58	-20 -16 -18 -0.61* +1.54* -12.4	Sep Oct Nov Dec Jen Feb Mar Apr	767 (1662 White (FFr 70, May 1 L Shonne Close 119.50 123.00 124.50 126.50 125.00 123.50 121.00 120.00	Previous 121,00 123,00 124,25 120,50 125,25 120,50 125,25 122,25 122,00 120,25	Ngh/Low 122.50 119.50 124.25 122.00 127.50 123.76 127.50 123.76 127.50 125.50 127.25 125.25 123.50 123.00 120.75 121.00 120.00
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Copper (US Producer) Lead (US Producer) Vicital (free market) I'm (Kuala Lumpur market) I'm (Kuala Lumpur market) I'm (Kuala Lumpur market) I'm (Kuala Lumpur market) I'm (Kuar York) I'm (How Western) Cattle (Rive weight) Sheep (ricad weight) I'm (How weight) I'	100%-1110 36c 560c 10.70r 355.60c 110.70r 355.60c 114.02p 163.01p 77.13p 5257.4a 1202.5c 1200.5 110 110 110 110 110 110 110 110 110 11	-20 -10 -15 -15 -0.44* -0.61* +1.54* -12.4 -7.5 -8.5	White 1 Parise Mar 15 GAS GI Sep Oct Nov Dec Jen Feb Mar Apr Turnove GRAINSI Sep	767 (1682 Yulto (FFr 70, May 1 L Shonne Close 119.50 124.50 124.50 126.50 1	Previous 121,00 123,05 124,25 125,25 125,25 122,05	NegtvLow 122.50 119.50 124.25 122.00 127.25 125.20 127.25 125.20 127.25 125.20 127.25 125.20 127.25 125.20 127.25 125.20 120.75 121.00 120.00 100 tonnes
Copper (US Producer) Lead (US Producer) Vicinal (tree market) Vicinal (tree weight) Vici	100%-1110 36c 500c 24406 10.7tr 355.60c \$1312.50 66%c 114.02p 163.91p 71.13p \$257.49 \$262.58 \$260.5 \$110 \$110 \$110 \$110 \$110 \$110 \$110 \$11	-20 -10 -15 -0.44° -0.51° -12.4 -7.5 -0.5 +1.00 +1.00 +1.00	White I Partie I Part	767 (1682 Minhs (FF-70), May 1 L Shonne Close 119.50 123.00 123.00 124.00 125.5	Previous 121.00 123.00 124.25 125.25 122.25 122.25 122.25 120.25 1240) lots of	NegtvLow 122.50 119.50 124.25 122.00 127.25 125.26 127.25 125.26 127.25 125.00 127.25 125.00 120.75 121.00 120.00 of 100 tonnes 100.40 106.55 111.60 111.30
Copper (US Producer) Lead (US Producer) Nickel (tree market) Nickel (tree weight) Nickel (tre	100%-1110 36c 560c 24406 10.7fr 355.69c \$1312.50 66%c 114.02p 163.91p 71.13p \$257.49 \$262.58 \$260.5 \$110 \$128.5\triangleright \$128.5\tr	-20 -10 -18 -0.44° -0.51° -12.4 -7.5 -0.5 +1.00 +1.00 +1.00 +0.5	Sep Oct Nov Dec Feb Mar Apr Turnove Sep Nov Den Feb Mar Apr Turnove Sep Nov Dec Den Feb Mar Apr Turnove Sep Nov Den Sep Nov Den Sep Nov Den Sep Nov Den Den Sep Nov Den Den Sep Nov Den Den Den Sep Nov Den	767 (1682 Mills (FFr 70), May 1 1 L Shorine Glose 119.50 124.50 124.50 125.50 1	Previous 121.00 123.00 124.25 126.30 125.25 126.30 127.45 120.25 120.25 120.25 120.25 120.25 120.25 120.25 120.25 120.25 120.25 120.25	NeghvLow 122.50 119.50 124.25 122.00 127.25 125.25 127.50 125.75 127.50 125.25 123.50 123.00 120.05 100 tennes 10040 108.95 111.50 111.30 114.35 113.90
Copper (US Producer) Lead (US Producer) Vicinel (tree market) Vicinel (tree market) Vicinel (tree market) Vicinel (tree market) Vicine (European free market Vicine (European free market Vicine (US Prime Western) Vicine (US Prime Western) Vicinel (VS Vicinel (Vicinel) Vicinel (Vicinel (Vicinel) Vicinel (Vicinel	100 %-111c 36c 560c 92406 10.71r 355.50c 113.12.50 665 ac 114.02p 163.01p 71.13p 5257.4a \$262.5a \$260.5 £110 £128.5v £128.5v £128.5v £280.5	-20 -10 -15 -15 -0.44* -0.51* +1.54* -12.4 -7.5 -8.5 +1.00 +1.00 +1.00 +1.00	White 1 Parise Mar 15 GAS GI Sep Oct Nov Dec Jen Feb Mar Apr Turnove Wheat Sep Nov Jan Mar	767 (1682 White (FF-70), May 1 (150-70), May 1	7 per tonne) 570, Aug 1: 570, Aug 1: 121,00 123,00 124,25 120,25	NightLow 122.50 119.50 124.25 122.00 125.50 123.76 127.55 125.50 127.25 125.50 127.25 125.50 127.25 125.50 120.76 121.00 120.00 100 tonnes 100.40 108.95 111.50 111.30 114.35 113.90
Copper (US Producer) Lead (US Producer) Vicital (free market) Vicital (free weight) Vicital (five weight) Vici	100%-1110 36c 560c 10.70r 355.60c 51312.50 65%c 114.02p 163.01p 77.13p 5257.4a 9262.5s 9260.5 110 110 120.5v 1723.25 68.25p 75.75p 76.25p	-20 -10 -18 -0.44° -0.51° -12.4 -7.5 -0.5 +1.00 +1.00 +1.00 +0.5	White I Partie I Part	767 (1682 Minhs (FF-70), May 1 L Shonne Close 119.50 123.00 123.00 124.20 125.5	Previous 121,00 123,00 124,25 125,25 122,25 122,25 122,25 122,25 122,26 Previous 108,36 111,10 113,85 118,10 118,80	Negh/Low 122,50 119,50 124,25 122,00 124,25 122,00 127,25 125,25 123,50 123,00 120,05 121,00 120,00 100 tonnes 10040 108,95 111,50 111,30 114,35 113,90 116,60 716,20 110,25 119,10
Copper (U.S. Producer) Lead (U.S. Producer) Vicinel (tree market) Vicinel (tree market) Vicinel (tree market) Vicinel (tree market) Vicine (European free market) Vicine (European free market Vicine (European free market Vicine (U.S. Prime Western) Vicine (U.S. Prime Western) Vicine (U.S. Prime Western) Vicine (U.S. Prime Western) Vicinel (V.S. Prime Western) Vicinel (V.S. Prime Western) Vicinel (V.S. Vicinel (V.S. Vicinel) Vicinel (V.S. Vicinel (V.S. Vicinel) Vicinel (V.S. Vicinel (V.S. Vicinel V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vicinel V.S. Vicinel V.S. Vicinel V.S. Vicinel (V.S. Vicinel V.S. Vic	100 %-111c 36c 560c 92406 10.71r 355.50c 113.12.50 665 ac 114.02p 163.01p 71.13p 5257.4a \$262.5a \$260.5 £110 £128.5v £128.5v £128.5v £280.5	-20 -10 -15 -15 -0.44* -0.51* +1.54* -12.4 -7.5 -8.5 +1.00 +1.00 +1.00 +1.00	White I Partie I Partie I Mar 15 GAS GI Sep Qct Nov Dec Jen Feb Mar Apr Turnow Wheat Sep Nov Jen Mar Mar Mar Mar Mar Mar Mar Mar Mar Mar	767 (1682 Milho (FF) (1682 Milho (FF) (1682 MILho) (1686	Previous 121,00 123,00 124,25 125,25 125,25 122,25 122,25 122,25 1240 108.6 Previous 108.95 118.60 118.60 120.25	Negh/Low 122,50 110,50 124,25 122,00 124,25 122,00 127,25 125,25 123,50 123,00 120,05 120,00 100 tonnes 10040 100,95 111,50 111,30 114,35 113,90 110,25 119,10 120,60
opper (ILS Producer) aed (IUS Producer) ilicial (free market) in (European free market) in (European free market) in (Kuala Lumpur market) in (Kuala Lumpur market) in (New York) line (IUR. Prod. Price) line and Lyle export (raw) line and Lyle export price lariey (English feed) laries (IUS No. 3 yellow) lineat (IUS Dark Northern) libber (IUS No. 3 yellow) libber (IOR) libber (Nov) ♥ libber (Nov) ♥ libber (Nov) ♥ libber (Nov) ♥ libber (Nov) III (Phillippines) librath (IUR. Price) libra	100%-1110 36c 560c 10.70r 355.60c 110.70r 355.60c 51312.50 66%-c 114.02p 163.91p 71.13p 5257.4a 1262.5s 1260.5 110 1128.5v 5723.25 68.25p 75.75p 76.25p	-20 -10 -15 -15 -0.44* -0.51* +1.54* -12.4 -7.5 -8.5 +1.00 +1.00 +1.00 +1.00	White I Perite I Peri	767 (1662 Milho (FF) (1	Previous 121,00 123,00 124,25 124,25 122,25 122,25 122,25 122,25 122,26 Previous 108,90 111,10 113,85 118,10 120,25 Provious	NeghvLow 122,50 119,50 124,25 122,00 124,25 122,00 127,25 125,26 123,50 123,50 120,75 121,00 120,00 100 tonnes 100 tonnes 111,50 111,30 114,35 113,90 116,60 716,20 110,25
copper (ILS Producer) aed (IUS Producer) ilicial (free market) in (European free market) in (European free market) in (European free market) in (Russ Producer) inc (IUS Prime Weatern) actite (live weight) ince (IUS Prime Weatern) actite (live weight) ince (IUS Prime Weatern) actite (live weight) ince (IVS Prime Weatern) ince (IVS Prime Weatern) ince (IVS Weatern) actite (IVS weight) actite (IUS No. 3 yealow) ince (IUS No. 4 Year) ince (100%-1110 36c 560c 560c 10.71r 350.50c 113.12.50 665gc 114.02p 163.91p 71.13p 5257.4a 3262.5a 5250.5 5110.5v 5128.5v 5	-20 -10 -15 -15 -0.61" +1.54" -12.4 -7.5 -6.5 +1.00 +1.00 +1.00 +0.5	White 1 Parise Mar 15 GAS GI Sep Oct Nov Dec Jen Feb Mar Apr Turnove GRAINI Wheat Sep Nov Jen Mer May Jun Berley Sep	767 (1682 White (FF-70), May 1 (157-70), May 1	7 per tonne) 570, Aug 1: 121,00 123,00 124,25 125,25 123,23 122,00 120,25 123,23 122,00 120,25 124,00 111,10 113,85 113,80 120,25 Previous 108,90 111,10 113,80 120,25 Previous 108,90 111,10 113,80 120,25 Previous 108,90 111,00 112,00 113,00 113,00 114,00 115,00 116,00 117,00 118,0	Cot 1608, Dec 575 Oct 1580 Might/Low 122.50 119.50 124.25 122.00 124.25 122.50 127.25 125.50 127.25 125.50 127.25 125.25 121.00 120.00 Might/Low 100.40 106.55 111.50 111.30 114.35 111.30 114.35 111.30 116.60 716.20 110.55 118.10 120.50 Flight/Low 103.50
Dopper (IJS Producer) ased (IUS Producer) ideled (free market) fin (European free market) fin (European free market) fin (Kusla Lumpur market fin (Kusla Lumpur market fin (Kusla Lumpur market fin (Kusla Lumpur) justic (IVS Prime Weatern) battle (IVS Prime Weatern) battle (IVE Prime Weatern) battle (IVE weight) filee (IVE weight) filee (IVE weight) filee (IVE weight) file (IVE Mark Northern) lubber (IVS Dark Northern) lubber (IVS Dark Northern) lubber (IVS Dark Northern) focunut all (Philippines) file (IVE Rese No 1 Oct) focunut all (Philippines) forba (Philippines) file (IVE) forboars	100 %-111c 36c 560c 92406 10.71r 355.50c 113.12.50 655 ac 114.02p 163.91p 77.13p 5257.4a 5262.5a 5260.5 C10 C128.5w £123.25 09.25p 75.25p 326.5s 326.5s 5432.5a 5214.5 57.10c 657p	-20 -10 -18 -0.44* -0.61* +1.54* -12.4 -7.5 -8.5 +1.00 +1.00 +0.5 -2.5	White 1 Parise 1 Pari	767 (1662 Minho (FF) (1662 Minho (FF) (70), May 1 (1500 Minho) (120,00 Minho) (12	Previous 121,00 123,00 124,25 120,25 120,25 120,25 120,25 120,25 120,25 111,10 113,85 118,90 120,25 Previous 103,00 103,00 103,00 103,00 103,00 103,00 105,0	NeghtLow 122.50 119.50 124.25 122.00 125.50 123.78 127.55 125.05 127.25 125.25 123.50 123.00 120.75 121.00 120.00 100 tonnes High/Low 100.40 108.95 111.50 111.30 114.55 119.90 116.60 716.20 110.25 119.10 120.90 1400.85 706.50
Copper (U.S. Producer) Lead (U.S. Producer) Vicial (Iree market) I'm (European free market) I'm (Euala Lumpur market) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Malaystan) I'm (Malaystan) I'm (Philippines) I'm (I'm (Philippines) I'm (I'm (I'm I'm I'm I'm I'm I'm I'm I'm I'm I'm	100%-1110 36c 580c 12406 10.71r 355.60c 114.02p 163.91p 71.13p 5257.44 5262.56 1220.5 1210.5v 5723.25 68.25p 76.25p 76.25p 76.25p 326.5m 3565s 3214.5 57.10c 627p	-20 -10 -18 -0.44* -0.51* -12.4 -7.5 -0.5 +1.00 +1.00 +0.5 -2.5	Sep Nov Dec Turnow Wheat Sep Nov Dan Mar May Jan Berley Sep Nov Dan Mar May Jan Mar May Jan Berley Sep Nov Sep	767 (1682 Minhs (FF-70), May 1 1 2 5 7 0 minhs (FF-70), May 1 1 2 5 7 0 minhs (FF-70), May 1 1 2 5 7 0 minhs (FF-70), May 1 1 2 5 7 0 minhs (FF-70), May 1 2 5 7 0 minhs (FF-70), May 1 1 2 5 7 0 minhs (FF-70), May 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	Previous 121,00 123,00 124,25 124,25 122,25 122,25 122,25 122,25 122,25 123,25 1240 lots of 111,10 113,85 149,10 118,80 120,25 Previous 108,00 108,55 108,00 108,55	NeghvLow 122.50 119.50 124.25 122.00 124.25 122.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 127.25 125.00 120.00 120.00 120.00 130.00
Copper (U.S. Producer) Lead (U.S. Producer) Vicial (Iree market) I'm (European free market) I'm (Euala Lumpur market) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Malaystan) I'm (Malaystan) I'm (Philippines) I'm (I'm (Philippines) I'm (I'm (I'm I'm I'm I'm I'm I'm I'm I'm I'm I'm	100%-1110 36c 580c 12406 10.71r 355.60c 114.02p 163.91p 71.13p 5257.44 5262.56 1220.5 1210.5v 5723.25 68.25p 76.25p 76.25p 76.25p 326.5m 3565s 3214.5 57.10c 627p	-20 -10 -18 -0.44* -0.51* -12.4 -7.5 -0.5 +1.00 +1.00 +0.5 -2.5	White 1 Parise 1 Pari	767 (1662 White (FF-70), May 1 Vinto (FF-70), May 1	Previous 121,00 123,00 124,25 125,25 125,25 120,25 120,25 120,25 121,10 111,10 113,85 114,10 118,80 120,25 100,00 100,15 100,00 100,15 100,00 101,15 100,00	COct 1608, Dec. 575 Oct 1580 High/Low 122.50 118.50 124.25 122.00 125.50 123.76 127.55 125.50 127.25 125.25 123.50 123.00 120.50 120.60 100 tonnes High/Low 100.40 108.95 111.50 111.50 114.55 119.10 120.80 106.85 108.50 108.55 108.50 108.65 108.50 108.65 108.50 108.65 108.50 111.45
Copper (U.S. Producer) Lead (U.S. Producer) Vicinel (free market) I'm (European free market) I'm (European free market) I'm (European free market) I'm (Kuala Lumpur market) I'm (New York) I'm (I'w York) I'm (I'w Western) Cattle (I'w weight) Sheep (doed weight) I'm (I'w weight)	100%-111c 36c 560c 560c 10.71r 355.60c 114.02p 114.02p 171.13p 5257.4a 1232.5c 114.02p 171.13p 5257.4a 1232.5c 110 128.5v	-20 -10 -18 -0.44* -0.61* +1.54* -7.5 -8.5 -12.4 -7.5 -8.5 -12.4 -7.5 -4.5 -2.5 -2.5 -2.5 -2.5	White 1 Parise 1 Pari	767 (1682 White (FF-70), May 1 (1577), May 1	Previous 121,00 123,00 124,25 120,20 120,25	NightLow 122.50 119.50 124.25 122.00 125.50 123.76 127.55 125.50 127.25 125.25 123.50 123.70 127.25 125.20 120.75 121.00 120.00 100 tonnes 100.40 108.95 111.60 111.30 114.35 113.90 120.85 108.57 120.85 108.57 108.57 108.57 108.57 108.58 108.58 108.58 108.58 111.45 113.35 113.35 113.35
Copper (U.S. Producer) Lead (U.S. Producer) Vicial (Iree market) I'm (European free market) I'm (Euala Lumpur market) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Kuala Weight) I'm (Malaystan) I'm (Malaystan) I'm (Philippines) I'm (I'm (Philippines) I'm (I'm (I'm I'm I'm I'm I'm I'm I'm I'm I'm I'm	100%-1110 36c 580c 580c 1240c 110.71r 355.50c 11312.50 66*gc 114.02p 143.91p 71.13p 5257.4a 5262.5a 5260.5 5210 5128.5v 5280.5 5214.5 57.10c 627p 51850c 57.10c 627p 51850c 627p 51850c 627p 51850c 627p	-20 -10 -15 -15 -15 -15 -15 -15 -15 -12.4 -7.5 -8.5 -12.4 -7.5 -8.5 -1.00 +1.00 +1.00 +1.00 +1.00 -1.5 -2.5 -2.5	White 1 Perins 1 Peri	767 (1682 Minhs (FF) (1682 Minhs (FF) (1682 Minhs) (128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 118.00 128.00 118.00 128.00 128.00 118.00 128.00 118.00	Previous 121,00 123,00 124,25 120,20 120,25	NightLow 122.50 119.50 124.25 122.00 125.50 123.73 127.25 125.25 123.50 123.70 127.25 125.25 123.50 123.00 120.75 121.00 120.00 100.40 108.95 111.60 111.30 114.35 113.90 10.65 116.20 100.85 100.85 100.80 111.80 111.80 111.80 111.80 111.80 111.30 111.80 111.81 111.80 111.30

							WC	RLD C		JD	I	5.5	PH
E/tonne			LONDON	PETA	T EXCH	ANGE		(Prices suppli	ed by Acre	lgem	rind I	Hotal .	ra-Gr
Close	Previous	High/Low		Clos	•	Previous	High/Low	AM Office	let Kerb	close	. (pen i	nier se
859	841	860 840	Akmelnika	n, 96.7	% purity	\$ per tonne)				Aing	burno	ww 7	5 Ion
307 785	765 766	614 784 795 766	Cesh 3 months	2510 2455		2450-70 2630-60	2550	2540-60 2480-80	3450	-		.363 k	_
797 806	775 785	802 775 809 782		_		c per tonne)		2,000		_	_	18.4	_
822	796	822 797	Cesh	1465		1430-40		1480-5	418	- 34		- 23,40	- 4,11
865	837	863 840	3 months			1385-90	1425/1300	1418-0	1410	-13	4	3,800	iota
		(10 tonnes is per tonne). Delly	Copper,	irade /	(E per k	(ma)			Pi	1g No	TOVE	25,00	O ton
₩ Sep 7: 9	69.78 1006	.39) : 10 day average	Cesh	1380		1377-0	1367	1388-7					
d: 1018.6	1 (1032,41)	•	3 months	1351	2	1340-8.5	1357/1346	1354-5	1340	∞		3,348	lota_
			Copper,							Rin	व ध	BOAR	O ton
E/torine	Domina	Leen a	Gesh 3 months	1310		1305-16		1315-25 1310-20				5 tota	
Close	Previous	High/Low	Silver (U					1310-60			_	LETROM	-0-
1112	1092 1088	1123 1105 1112 1094						450.4			नाम् र		- 00
1090	1068	1097 1064	Cash 3 months	654-6		647-50 661-4		655-4 665-6			- 4	56 lot	
1073 1072	1046	1083 1084 1077 1080	q 2) bee.5						R	ing b	_	× 5,20	_
1074	1034	1075 1068	Cesh	354.5		351-3		358-0		-			
1070	1040	1070	3 months			367-9	300/300	\$64.5-6	360-2		1	0,911	lots.
r: 5331 (C releator n	1365) lots o	i & tonnes ents per pound) for	Mickel (S	per ton	ne)				A	ing to	точ	r 1,60	O ton
Comp. d	elly 116.01	(111.02); . 15 day	Cash		0-950	13050-180	12550	12500-60					
110,01 (144.64).		5 months			12725-40	12576/107	00 12150-20		-1000	_	,513 k	_
			23nc (\$ p	_					· Pik	N AN	1000	11,27	5 ton
(\$ per to		Liberta	Cash 3 months	1315		1355-60 1330-6	1348 1328/129/	1348-9	1300	,		1.182	-
Ciose	Previous	High/Low	O 114314414		-		10001	- Idear	1014		<u> </u>	.,	
229.80 238.00	227.60 233,00	232.00 225.80 230.00 230.00						LONDON BI	-	4 200	_	•	<u>-</u> :
230.00 225.40	226,80	232.00 225.00	POTATO	_				Gold (fine oz			_	-	
223.00	221,80 218.00	226.00 220.20 219.00 218.00		Close	Previou			Close	428-428 h		_	quive	
222.00	218,00		Nov Feb	60.1 69.9	63.0 72.2	61.0 60.0		Opening	427 2-425		. 25	252	
Close	Previous	High/Low	Apr	94.2	94.7	95.0 94.2		Morning fix Atternoon for	425		26	2.091	
257.00	255,00 249.00	256.00 252.50			_	40 towns		Day's high	425 4-425		23		
251.50 253.00	250,00	251.00 247.00 252.00 248.00				40 tormes.		Day's low	427 2-425				
254.00 254.00	251.50 251.00	251.00 251.00	SOYABE										
262.50	251.00	251.00 248.00		178.40	Previou	178.00		Coine	\$ price		_	qu/ve/	ers:
254.00	251.00	250.00 249.10	Dec	186.70	186.00	187.00 185	50	Mapleteal Britannia	440-445			262	
ar: Raw 3		lots of 50 tonnes.	Feb	123.00	192.00	192.50		US Engle	440-445		250	262	
White (FFr	per tonne):	Oct 1608, Dec 1874,	Apr Jun	182.00	181.00			Angel Krugerrand	433-444 427-430			4-261 254	*
	3/0, Aug 1	975 Oct 1580	Turnover	206 (18	9) fots o	20 tonnes.		New Sov.	100%-101		591	4-60	
L Shonne		17.14				dex point		Old Sov. Noble Plat	\$44.35-51.			7-324	
Close	Previous	High/Law		Close	Previou	Mgt/Low-							
119.50 123.00	121,00 123,00	122.50 118.50 124.25 122.00	3ep	1344	1347	1350 1335	_	Stever fiz	p/fine oz		US	cts ec	ψĺγ
124.50	124,25	125.50 123.78		1486	1475	1475 1485 1010 1505		Spot	387.10		657		_
126.50 126.00	125.25 125.25	127.50 125.50 127.25 125.25	Apr -	1551	1519 1545	1551 1537		S months	396.95 411.36		670	.80	-
123.50	123.25	123.50 123.00	Jul	1378.	1390	1378		12 months	434.56		718		
121.00	122,00 120,25	120.75 121.00 120.00		1283	1277					_			
		f 100 tonnes	Turnover	275 44	[S]								
			Carrie										
£/tonne					on Englis	L 196 h appies are h	I				- 34	-	
Close	Previous	High/Low	Everyor	e, inclu	ding kety	28-50p a lb an	6						
108.95	108.50	100.40 108.95	worcest	23-50	p, report	FFVIB. Disco	eaty						
111.30	111, 10	111.60 111,30	deliciou	50-50	. Greek	hompson grap		LONDON ME	-				_
113.90 1 <i>18.20</i>	113,85 116,10	114.35 113.90 116.60 116.20	are 45-6	Sp and	New Zee	and kiwikult a	re					_	_
110.10	118,80	110.25 119.10				halian william d benanas 30-8		Atominian (9		Ca	Hs.	P	ute .
120.60	120.25	120.60	Caulifion	WOLZ ST	25-500	such courgeth		Strike price :	tonne	Nov	Јал	Nov	- Jan
Close	Previous	High/Low	25-56p a	b end	MATTOWS	20-45p each. d English prior	_ i	2550		184	231	25	187
103.50	103.00	103.50	cabbage	14-200	. Stick be	ens ere 65-63g		2500 2650		90 35	196	173	270 367
106.50 109.30	108.95	106.85 706.50 109.65 109.30	and dute	h picki	ing onlon	s are 25-45p.						114	401
***************************************	111.00	111.60 111.45				Sp and mushing a 30-60p each.	A0078	Copper (Grad		C			

5 \$									5					
U	S M	ARK	ETS:	-:	CRU	DE OIL (L		US pales		CI	lcag	10	2.	
MO	ST COM	MODITY	Markets	had a	-	Lighoot	Previou			90Y/	BEARS 5	000 bu min;	cents/60th (oushel
QUIK	nt day in	expect	tion of th		Nov	14.33	14.18	14,45	14.18	-	Gloon	Previous	High/Lov	
bred	ducer pr	ice figu	es due o	Ut	Dec	14.35	14.25	14.42	14.22	Sep	888/4	882/4	00008	872/0
But	nham L	umbect.	reports D	ACCOUNT.	Feb	14,44	14.34	14.48	14.31	Nov	805/4	897/0	906/0	88770
met	als all h	ad mars	inal gain	s with	Mer	14.55	14.48	14.80	14.47	Jan	915/4	905/0	921/0	902/0
light	t volume	and ve	ry narrow	rtrading	Apr	14.70	14.55	14.70	14.66	May	912/0	902/0	912/0	894/
			eared to	be the. 75 points	Jun	14.90	14.00	14.80	14.73	Aug	903/4	890/0	905/0	883A 865A
			the close		Jul	14.70	14.76	14.25	14.76	Sep	810/2	797/0	8/1/0	8004
soft	commo	tities, s	ger gain	ed 5 · .	-			pelle, cents		90Y/	DEAN OIL	60,000 Day	cacis/ib	
			7WT1 20 64		-	Lalest	Previou				Close	Previous	High/Low	
			s advanc		- Oct Nov	4165	4103	4180	4175	Sep	26.70	26.65	26.70	20.30
mos	thy to lig	fit trade	and spec	culactive	Dec	4300	4200	4315	4250	Out	26.06	26.76	26.57	20.54
scth	vity. Coff	ee price	s fell 100	points as	Feb	4315 -	4290 4150	4315	4296 4150	Jan	27.36 27.82	27.22 27.45	_ 27.86 _ 27.85	27.03
the t	Tade W	re selle	rs inroug	hout the	May	3980	3950	3900	3960	Mar	26.00	27.82	28.02	27.70
deci	Ined or	IN General	the meat ply after	markets	. Jul	3600	- 3004	3900	3600	- Jul	26.15 27.90	27.96 27.75	28.10 27.96	27.85 27.80
SiZE	able gal	ns in the	previous	day.	-		nes;8/lonn			Aug	27.00	27.40	27.70	27.50
Live	Cattle #	nd bork	belly ork	ces were '	-	Close	Previous			90YA	BEAN NE	AL 100 tone;	\$/ton	 -
Cont	over 1	oo paint	s. Live by	g futures	Sep Dec	1219	11731	1222	1203		Cione	Previous	High/Low	
grain	n marke	s. brice	s were m	act. In the	Mar	1228	1186	1226	1207	Sep	261.6	278.7	201.5	274.5
the s	oybean	s, wheat	and con	2.	Jul	1252	1100	1236	1220	Oct	200.0	277.7	260.0	274,0
Com	mercial	buying	in soybes	ns .	Sep .	1311	1244	1278	1270	Jen	278.2	277.6	279.5 279.0	274.0
WIN	unced pr	fell alle	cents. Co	orn and			7,5000be; c	1315	1810	Mar	274.7 208.6	271.7 257.5	275.5	269.0
OCAL	i selilng.	. The CF	B index	150 mag	COTT	Close				- Jul -	254.0	262.0	269.0	263.5
point	ts on the	Streng	h in the d	viergy	-	126.70	729.50	130.00		Aug	254,0	250.5	254.0	250.0
mari	cets.		1 / 1		Sep	129.81	131,00	131,40	128.03	MALE	6,000 bu	min; onnte/	light digital	
Ne	Y W	ork			Mar	127.25	127.96	120.20	127.10	· . · · ·	Close	Previous	High/Low	
-		• • •		<u>: </u>	Jul	127.00	127.90	127.00	127.00	Sep	290/4	291/6	200/4	267/2
BOLL	100 troy				Sep Dec	125.18	124.00	127.76	125.50	Mar	302/0	302/4	303/0	299/4
	Close	Previou						000 lbs; os		- May	309/6	200/4	310/0	305/4
Sep	426.8	425.1	431.0	490.0	-	Close	Previous			Sep .	307/2 205/4	206/4	286/0	303/0
Nov	433.5	432.9	0	0	Oct	10.01	9.97	10.05	9.76	- Dec	273/0	273/4	274/0	271/0
Feb	442.2	445.7 441.5	435.B	495.4 441.3	Jen	9.73 10.10	10.02	9.60	9.00	WHEA		ı ınin; cents/	60lb-bushel	
Apr	447.9	453.0	447.£	447,3	May	9.87	9.84	9.94	9.86		Cione	Previous	High/Low	
AUG	459.8	408.1	0 .	0	Jul Oct	9.73	9.70	9.73 9.58	9.58	Dec	406/4 423/D	412/0	411/0	405/0
Oct	465.9	465.2	.0.	. 0	Jen	100	9.08	0	9.57	Mar	426/6	428/4 429/6	427/2	421/0
PLAT	NUM 50 1			· · · ·	COTT	OF 50,000	; cents/fb			May-	404/0 373/4	: 407/4 378/0	409/0- ·	405/0
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Oct.	588.5	531.9	538.5 542.0	529.0 534.0	Oct ·	54.15	51.45	54.05	- 54.10		Close	- Previous		
Apr	546.0	536.9	546.0	541.0	Dec	52.76	52.65 52.67	52.92 : 52.93 :	52.40 52.50	Oct	70.90		High/Low	
SEY	ER 5,000 to	'09 (CE; CO	nts/troy or.		- May	53.05	53.00	53.15	62.75	Dec	72.02	72.17	72.00 72.70	70.78 71.85
	Cices.	Previou	s High/Lo	w	Oct .	53.20 54.10	53.02 53.77	58.40 . 54.10	53.10 54.05	Apr	73.05 · 74.57	73.87 78.17	73.76	72.00
Sep	651.2	554.6	652.0	655.5	Dec	54,40	54.19	54.50	54.20	Jun	73.66	74.25	74.15	73.60
Oct	666.9	663.9		.0	ORAL	IGE JUICE	15,000 lb	s; cents/lbs		Aug	70.90 71.25	71.40	71.56	70.90
Dec	674.5	668.5	677.0	967.0		Close	Previous	High/Lo	w .	Oct	70.87	71.25	0 71.00.	- 70.97
Jan Mar	890.2	683.9	602.6	685.0	. Sep	199.60	192.70	198.70	192.70	LIVE	IOG\$ 30,0	00 fb; cents/i	ba .	-
May.	. 701.1	684.6	0	0	Nov	184.60	183,60	184,70	183.30		Close	Previous	High/Low	
Jul	712.3 723.5	705.6 716.6	711.0	711.0	Mer	100.30	169.15	172.25	171.75 169.30	Oot	36.10	38.35	38.77	
Sep Dec	740.8	733.5	739.0	735.0	May	165.30	100.15	168.50	168.50	Dec	39.60	40.22	40.45	37.60 39.55
COPY	ER 25,000	ibe; cent	s/lbe		Sep .	167.30	167.10	0	0	Feb.	42.50 42.87	42.97 42.70	43.10 42.90	42.35
	Close	Previou				٠.				Jun	47.15	47.40	47.80	42.35 47.15
Sep	108.20	102.60	104,00	102.00	MID	CES ·			$\neg \neg$	Jul . Aug	47.95 48.77	48.12 47.15	48.10	47.56
Oct -	102.40	101:75	0	0	_		ec Senter	ber 18 193	1 = 100	Oa	44.92	44.95	46.90	46.77 44.92
. Nov Dec	101.25	100.55	101.00	98.50	<u>j — </u>	Sept			o yr ago	PORK		99,000 lbe; or		
Jen	98.25	197.50	0	0	1-	1873.7		1882.2		-	Closs	Previous	High/Low	
Mar	91.75	\$3.85 \$1.35	95.00	93.50 91.03	1				1842.4	Feb	47.67	48.10		
Jul	20.65	82.45	89.00	89.00				31-1974		Mar.	47.85	48.45	48.10	46.76 47.25
Sep	87.75 85.85	87.65 85.85	0	0		133.50 rea 137.81		131.34	128.18 131.21	May	48.30 50.20	49.92 50.90	50,25	45.90
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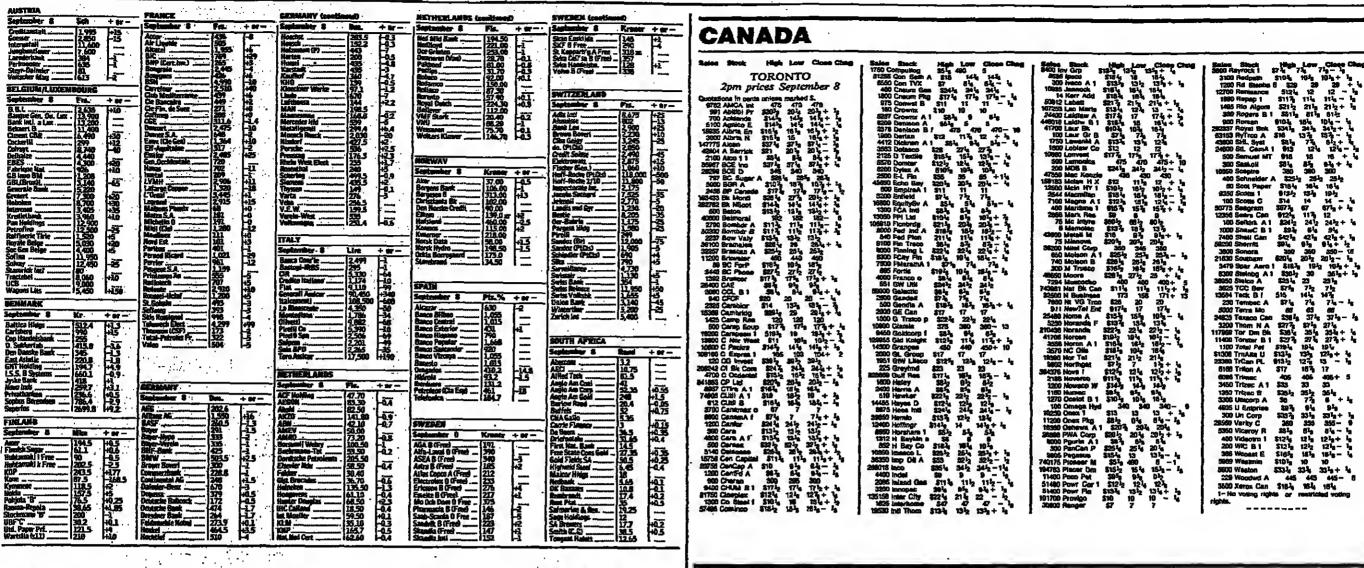


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FINANCIAL TIMES

Investors await economic figures

BOTH equities and bonds veserday settled into the narrow trading range also in evidence on Wednesday after their sub-stantial rallies in the wake of last Friday's weaker-than-ex-pected employment figures, writes Janet Bush in New York.

The focus has now turned to today's producer prices data for August, which are expected to show a 0.5 per cent rise. There was a great deal of caution in trading yesterday

pending the release of these figures. News that the Securiies and Exchange Commission had finally charged Drexel Burnham Lambert with insider trading added to the hesitancy. At 2 pm. the Dow Jones Industrial Average stood mod-estly higher, up 4.62 points at 2,670.41 on modest volume of

about 90m shares. US Treasury bond prices were quoted as much as # point higher at midsession. The benchmark long bond was % point higher to yield 9.04 per

As the week has progressed, both equity and bond markets have gradually lost the eupho-

ria which erupted after last Friday's employment figures. Traders are now anxious for further evidence that the economy may be slowing down.

Mr Manuel Johnson, vice chairman of the Federal Reserve Board, said that recent inflation figures seemed rea-sonably good and that other economic data indicated somewhat of a slower tone" to

Although the dollar was slightly firmer, its negative reaction to the unemployment nervous tone to the bond mar-ket which had drawn substantial support from the dollar rally for most of this year.

One positive factor for the bond market has been the weakness of oil prices but, after sharp falls earlier this week, prices appear to have stabilised. Markets are also beginning to anticipate next Wednesday's release of US trade figures for July.

Among featured stocks yes-terday was Ramada, which jumped \$2 to \$9% on news that HCC Corp, a bolding company owned by the Pritzker family of Chicago, bad launched a \$400m friendly takeover bid for NYSE Volume Aug 11.to Sep 7 1987 179,552,500

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the botel and casino chain. Ramada also announced that talks with BAA about the formation of a joint venture had been hroken off.

Irving Bank added \$1% to \$68%. The bank, which is defending itself against a hostile takeover offer from Bank of New York, said it had provided third parties with confidential financial information. dential financial information. Bank of New York, which yes-Irving to September 80 after clearance from the Fed, slipped \$% to \$34%.

Interco dropped \$1% to \$70%. The company said the group, led by the Rales Brothers of Chicago, had not disclosed whether it had acquired the financing for its \$70-a-share offer. This means the group cannot purchase any shares under the offer which expires on Monday. Gander Monntain, the retailer of outdoor clothing and

equipment, rose \$1% to \$11% in over-the-counter treding after saying it was exploring options for a possible sale. Clark Consolidated Industries rose \$3% to \$17% on the American Stock Exchange. The

company has received a \$17-a-share bid from an investor group led by its management. Canada

RISES by industrial and utility stocks countered falls by gold and base metal issues in Toronto in mixed, midsession trading.

The composite index rose 8.3 to 3.306.2 as declines outnumbered advances hy 313 to 252 on turnover of 15.9m shares.

SOUTH AFRICA

SLIGHTLY higher bullion and precious metals prices in Europe belped Johanneshurg gold stocks edge upwards in generally quiet trading. Vaal Reefs gained R5 to R248 and Driefontein 40 cents to R31.65.

BUYING interest spread in

Tokyo yesterday as fears of higher interest rates evapo-

rated, and the Nikkei average

advanced strongly, urites Isao Nakajima of Jiji Press. Large-capital stocks contin-

ued to be actively traded, while

selective hnying spreed to stocks with latent assets and to

the construction sectors. Some

financial institutions joined

individual investors and com-

strength towards the close

after slackening in the after-noon, gained 236.10 to 27,740.11.

It touched a day's low of 27,512.52 at the outset and reached a high of 27,744.17 in

the afternoon. Volume was

87im shares, up from 82im. In London, Japanese shares edged a little higher, as the ISE/Nikkei index rose 3.20 to

attributed the strong buying to

brighter investment condi-

tions. The yield on the 30-year

Treasury hond had slipped

Japan's move to discourage

further rise in short-term inter-est rates led investors to

crude oil prices also encour-

finished Y2 higher at Y742 after touching Y765. Nippon

The Nikkei, which regained

panies in the market.

1.792.62.

ASIA PACIFIC

Hesitation disarms defence stocks

Japan is already reckined to have the world's third largest defence budget, worth Y3.700hn (\$27.7bn) this year. Defence spending as a proportion of gross national product has been rising steadily for the past seven years and is expected to continue to do so for the reseable future. The defence industry would

appear to hold potential for considerable growth. Yet defence as a stock market theme has significantly failed to take off.

As Mr Toshiyuki Nishiguchi, chief of securities information at Daiwa Securities, puts it: "There are occasional bursts of interest in defence-related stocks, but they tend to be short-lived."

There have admittedly been strong gains for defence-related stocks. The shares of the top 26 defence contractors rose by an average 34 per cent in the 12 months to the end of August, outperforming the market as a whole by a similar margin, according to a recent study by S.G. Warburg Securities.
Yet those that have risen the most are diversified industrial

groups, for which defence is a minority husiness, and analysts warn against following big manufacturers' shares purely for defence interests.

"Defence can only be part of the reason why a defence contractor might rise on the equi-

In a decade or so, Japan could become an important military power." Mr Henry Kissinger, the former US Secretary of State, warned in an article in early 1987.

Japan is already recknad to

ties market," says Mr Izumi Mitsoishi, general manager of the stock information department at Yamaichi Securities One example is Mitsui Engineering and Shiphuilding, which has seen its shares dou-ble to Y578 over the past 12 months. Last year, defence amounted to a mere 6 per cent

tion of its loss-making ship-building operations. The same can be said for Sumitomo Heavy Industries, shares of which have more than doubled to Y789 in the past 12 months, mainly because of its elimination of shippard losses.

of Mitsui's total sales and the rise in the shares has generally

been attributed to rationalis

he largest defence con-tractor, Mitsuhishi Heavy, has gained 32 per cent to Y845, while Kawa-saki Heavy Industries, the sec-ond largest defence contractor, has doubled to Y574. In both cases, rationalisation of mature businesses and a general profit recovery seemed more impor-tant factors than increases in defence contracts. Defence accounts for 15 per cent of Mitsubishi's sales and a third of Kawasaki's.

Mitsubishi's shares have been fading since June in spite of the announcement then that the Self-Defence Agency (SDA)

— equivalent to a defence ministry — would almost cartainly order a destroyer from it this year. The order, worth Y122.3bn, was confirmed last

Most analysis are aceptical about the sector and doubt that it will attract much invesfor interest in the near future. For one thing, they say, the political environment is such that no large Japanese com-pany would want to depend too much on defence contracting for its future. Public opinion in Japan

remains strongly opposed to any military build-up and Japan's neighbours become more nervous with every frac-tional increase in the defence tional increase in the defence budget. Last year, the Govern-ment finally broke a 12-year-old policy restraining defence spending to less than one per-cent of gross national product, but no one expects it to get-much higger than that. As Mr Hiroshi Taguchi, dep-nty seneral manager of the

nty general manager of the equity department at Nomura Securities, puts it: "In Japan, defence is still somewhat taboo. The companies involved in defence themselves do not want to push that side of their business to the forefront." In addition, a longstanding

Cabinet guideline banning weapons exports hampers over-seas sales. Although the export ben is not total, the Ministry of

International Trade and Indus-try (MITI) boosted the number tors in this area from of inspectors in this area from 43 to 102 after Teshiha Machine's violation of the COCOM high-tech export restrictions last year.

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There is a group of smaller Japanese companies that speci-alise in defence-related products; shares in which might have been expected to respond favourably to the defence bud-get growth. However, their perfermance on the stock market in the past year has varied con-siderably.

hares of Japan Aircraft
Manufacturing, an aircraft body maker,
declined over the past 12
months by 8 per cent to Y1.310
even though aircraft sales,
including repairs, constituted a
heavy 92 ver cent of total sales hefty 92 per cent of total sales of Y23.5bn in the year to March 21, 1988. (About 90 per cent of aircraft production in Japan is for the military.)

Likewise, shares of Sumi-tomo Precision Products, an affiliate of Sumitomo Mstal Industries that makes propel-lers and landing gear, declined by 12 per cent in the past 12 months. Aircraft equipment and parts accounted for 59 per cent of Sumitomo Precision's total sales of Y23.2hm last year.

On the other hand, shares of Showa Aircraft, a maker of trucks and aircraft equipment, rose by 46 per cent. Defence contracts, however, made up a slim 6 per cent of fotal sales.

Fillip from Wall Street fizzles out in low volume

IT WAS another day of sluggish trading in Europe yes-terday, with most bourses ending little changed after Wall Street failed to follow up its sharp gains of last Friday and investors continued to show minimal enthusiasm for equi-ties, writes Our Markets Staff.

FRANKFURT ran out of steam after four consecutive rises and a firm start yesterday the low levels of the past month, with domestic share turnover amounting to

The lack of direction from New York and a weaker bond market helped set shares adrift in the latter part of the session. The FAZ index at midsession was up 1.5 at 490.53 and the DAX real time index finished just 0.39 off at 1,185.35.

Blue chips saw the best gains, with suggestions that some Swiss investors were back in the market after being net sellers in the early sum-

BMW gained a further DM2.50 to DM503.50 despite denials from the company that Siemens was seeking a large stake. The buzz of speculation ened slightly by the denial, but one salesman said it was sig-nificant the share price had not fallen after its DM21 advance. BMW said yesterday that group sales could rise to more than DM21bn this year

from DM19.45bn.
Insurer Allianz was strong again, improving DM16 to DM1.550, while Metallgesell-schaft, which fell beavily at the end of last month on news of production losses at its dam-

aged zinc smelting plant, picked up DM6.40 to DM299.40. Bonds moved down by as much as 30 pfg after the strong gains of the past three days, with the easier D-Mark putting pressure on the market. The yield on the 6% per cent July 1993 federal bond rose to 6.67

per cent from 6.64.
PARIS was little changed after a fairly featureless session in which volumes failed to rise above recent weak levels. A bomh threat slowed activity and afternoon trading stopped for about an bour as the stock exchange building was evacu-

The opening CAC index was

NERVOUSNESS sent London lower again, although Wall Street's steady opening brought some relief and kept international stock losses in check. The FT-SE 100 index

closed 16.3 off at 1,739.8. Trading began uneasily following news that Ultramar, the oil group, planned a £130m rights issue to help finance its acquisition of the Wilmington Refinery in California.

up 2.8 at 352.1 and the OMF 50 index was 0.37 higher at 353.53. Worries about the French franc's weakness remained and foreigners were largely absent. Corporate news moved individual stocks but had little impact on overall trading.

Retailer Carrefour was driven up FFr40 to FFr2,510 by expectations of improved interim profits, and after the close it reported a 6 per cent increase. One French analyst said the result was disappointing, falling below a forecast 10 per cent rise.

Schneider detailed its rights investors, rising FFr14.40 to FF1475.40

Bertrand climbed FF127, or 3.9 per cent, to FFr715 in response to a rerating by French ana-

AMSTERDAM turned lower, with overnight losses on Wall Street dampening sentiment in spite of a stable dollar. The CBS all-share index eased 0.3 to 95.2 and volumes were low. Interest focused on domestic and second-line stocks which

are among the least exposed to fluctuations in the dollar and European currencies, said one analyst. Little foreign demand was seen as investors waited for today's US August producer price index to provide direction on inflation and interest rates.

Corporate news maintained some interest. Paper maker KNP fell 50 cents to Fl 165.70 after an initial jump, with shareholders approving a 4-for-1 share split and a capital

raising programme.
Pakhoed, the storage and transport company, lost 80 cents to Fl 81, as trading began in rights for its 1-for-5 issue.

tors selling the stock short to buy the rights.

Property company Wereldhave, steady at Fl 209, said after the market closed that it expected a slightly lower return on investment this year and announced an unchanged dividend of FI 4.75.

ZURICH was quiet as investors stayed on the sidelines amid interest rate and cur-rency concerns. The Crédit Suisse index lost 1.5 to 465.5, with some profit-taking seen. BRUSSELS saw utilities and

steelmakers in the limelight once again and closed firmer after a quiet session. The cash market index added 13.5 to Steelmaker Cockerill added BFr12 to BFr229 with a busy

94,000 shares traded, while Clapecq added BFr20 to BFr990. MILAN was again very quiet, with the Comit index asing 2.27 to 516.14 in light volume. Uncertainty about interest rates continued to hang over the market, and investors are also awaiting the latest news from the Govern-ment on plans to tackle the

budget deficit. MADRID was de rise in Treasury bond rates, with the general index dropping 0.75 to 279.39. Engineering stocks were the worst hit, followed by chemicals.

STOCKHOLM paid little

attention to previous declines on leading world equity markets, closing slightly higher in moderate trade.

The Affärsvärlden index added 1.7 to 867.4, with turn-over reaching SKr264m. COPENHAGEN saw prices and volumes pick up in the market's last session using the open outcry trading system. Fully electronic dealing takes

over today.

HELSINKI closed higher across the board. The Unitas general index rose 11.9 to 712.1, with investors cheered in part hy the central bank's that it may propose a 'A point cut in the prime discount rate

to 7% per cent from the start of next year.
OSLO ended mixed after a lacklustre session as low North Sea oil prices continued to take their toll on oil stocks. The all share index fell 1.19 to 268.94.

Nikkei climbs as interest rate concerns fade shares, gained Y20 to Y715 temporarily, closing Y6 up at Y701. NKK and Mitsubishi Heavy Industries were also among the 10 most active stocks, adding Y60 to Y688 and Y12 to Y891

Investors also sought asset-rich issues, notably railways. Keisei Electric Railway chalked up a daily limit increase of Y400 to Y2,910. while Tobu Railway soared Y70 to Y1,150. Keisei also gained favour after reports that it had agreed to start a new company with East Japan Railway to build a line to the new Tokyo international airport at Narita. Keisei was the eighth most

active stock and Tobu 10th.

In Topix stock index futures

tract advanced 11 points to 2,152 temporarily, but finished at the day's low of 2,140, off 1 point. Trading volume in the contract amounted to Y361hn, up from Y311hn.

After opening higher, bond prices finished lower on increased profit-taking, mainly by dealers. The yield on the 5.0 per cent government bond due in December 1997 finished unchanged at 5.215 per cent. In inter-dealer trading after the close of the Tokyo Stock Exchange, the yield rose to 5.235 per cent.

With the yen's appreciation. prompting having, Osaka shares continued to rise, with the OSE average finishing ing with only a few stocks find-103.79 higher at 26,463.28. Turning demand and the All Ordi-

MOVEMENTS were again con-strained by a lack of direction in Asia Pacific markets, and most eased in weak volumes. SINGAPORE saw both bargain-hunting and profit-taking in a generally lacklustre ses-sion, at the end of which share

Roundup

prices were little changed. The Straits Times industrial index edged up 3.41 to 1,066.61. The small investor was again the most active, with domestic and foreign institutions mostly

AUSTRALIA saw light trad-

Turnover reached just 58.5m shares, worth A\$90.24m.

Transport stocks found favour after the previous day's news of record profits at Brambles, which rose 15 cents to

HONG KONG was taken lower by uncertainty over the market's direction, with ths Hang Seng index falling 16.61 to 2,508,53. Volumes fell to HK\$481m in value against HK\$634m on Wednesday.

TAIWAN dropped sharply amid concern that domestic interest rates were set to rise, and the weighted index plum-meted by 206.68, or 2.5 per cent,

FT-ACTUARIES WORLD INDICES

Juintly cumpiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in canjunctian with the Institute of Actuaries and the Faculty of Actuarles

NATIONAL AND REGIONAL MARKETS	1	WEDNESDAY SEPTEMBER 7 1988					TUESDAY SEPTEMBER 6 1988			BOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	U5 Ootlar Index	Day's Change	Pound Sterling Index	Local Currency Index	Grass Oiv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)	
Australia (86)	142.39	-1.1	123,60	118.10	4.01	143.92	125.26	118.70	152.31	91.16	169.18	
Lustria (16)		+0.1	75.97	83.82	2.50	87.43	76.10	83.72	98.18	83.72	98.39	
Selgium (63)		+0.6	99.30	110.73	4.56	113.72	98.97	110.21	139.89	99.14	127.11	
anada (126)	117.80	-0.5	102.26	105.73	3.26	118.45	103.08	105.84	128.91	107.06	133.59	
Denmark (39)	122.80	+0.4	106.59	118.58	251	122.30	106.44	118.10	132.72	111.42	117.94	
Inland (26)	115.04	-0.1	99.86	105.60	1.63	115.15	100.22	105.87	139.53	106.78	1 447.77	
rance (128)	92.18	+1.1	80.02	90.81	3.57	91.14	79.32	89.71	99.62	72.77	114.82	
Vest Germany (100)	76.49	+0.3	66.39	73.29	2.52	76.22	66.34	72.99	80.79	67.78	101.46	
long Kong (46)		+1.0	89.57	103.43	4.71	102.16	88.91	102.45	111.86	84.90	143.73	
reland (16)	133.40	+0.5	115.79	129.54	3.66	132.39	115.22	128.25	144.25	104.60	143.50	
Laly (100)	70.84	+0.0	61.49	72.89	2.76	70.82	61.64	72.83	81.74	62.99	86.97	
Janan (456)	158 52	+2.0	137.60	133.92	0.54	155.36	135.21	132.87	177.27	133.61	145.60	
falaysia (36)	138.62	+0.1	120.33	141.48	2.76	138.44	120.49	141.62	154.17	107.83	179.20	
Mexico (1.3)	J 145.18 I	-1.5	126.02	362.86	1.50	147.33	128.22	368.39	180.07	90.07	404.24	
ietherland (38)	l 102 45 l	-0.4	88.93	97.30	4.72	102.84	89.50	97.63	110.66	95.23	125.26	
łew Zealand (20)	73.66	1 +0.2	63.93	62.88	5.95	73.54	64.00	62.70	84.05	64.42		
Norway (25)	109.19	-1.6	94.78	101.70	2.94	110.99	96.60	103.16	132.23	98.55	131.46	
Ingapore (26)	1 121 76	-0.1	105.69	114.36	2.40	121.89	106.09	114.48	135.89	97.99	174.9	
South Africa (60)	108.88	+1.5	94.51	86.54	4.98	107.24	93.33	86.82	139.07	105.83		
ioain (43)	139 69	-1.0	121.26	130.80	3.45	141.04	122.75	131.21	164.47		184.8	
weden (35)	111474	+0.4	99.60	108.67	263	114.33	99.51			130.73	158.7	
witzerland (55)	75.24	-0.7	65.31	72.51	2.36	75.81	65.98	108.45	125.50	96.92	130.4	
Inited Kingdom (323)	125.15	-0.4	108.63	108.63	4.68	125.62	109.33	73.02	86.75	74.13	107.6	
USA (580)	108.63	1 70.1	94.30	108.63	3.66	108.54	94.46	109.33	141.18	120.66	152.3	
		}						108.54	112.47	99.19	128.25	
Europe (1009)	102.07	-0.1	88.60	94.08	3.87	102.15	88.90	94.22	110.82	97.01	126.1	
Pacific Basin (670)	155.64	+1.9	135.10	131.99	0.76	152.76	132.95	131.02	172.26	130.81	146.4	
Euro-Pacific (1679)	i 134 <i>2</i> 3 i	+1.3	116.51	116.88	1.71	132.54	115.35	116.34	147.53	120.36	138.3	
North America (706)i	1 109 11	+0.0	94.71	108.47	3.64	109.06	94.91	108.39	113.29	99.78	128.5	
Europe Ex. UK (686)	87.66 i	+0.2	76.09	85.13	3.19	87.50	76.16	84.90	92.99	80.27	109.7	
Pacific Ex. Japan (214)	1 121 na 1	-0.3	105.07	107.80	4.21	121.43	105.69	107.81	128.27	87.51	157.0	
World Ex. US (1878)	133.42	+1.2	115.81	116.31	1.79	131.81	114.72	115.80	146,49	120.26	138.8	
World Ex. UK (2135)	j 123.65 i	+1.0	107.33	114.15	2.18	122.47	106.59	113.67		111.第	132.9	
World Ex. So. At. (2398)	J 123.86 I	+0.8	107.51	113.81	2.39	122.83	106.90		131.77			
World Ex. Japan (2002)	107.13	1 70.0 }	92.99	103.35	3.76	107.13	93.24	113.44	132.39	113.26	134.3	
							75.27	103.36	112.43	100.00	129.5	
The World Index (2458)	123.77	+0.8	107.43	113.62	2.41	122.73	106.82	113.26	132.38	113.37	134.7	

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115 037 (US \$ index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzle & Co. Ltd.1987
Latest prices were unavailable for this edition.

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Raine Industries plc has made arrangements for acceptances of its Offer to be received at any branch of Barclays Bank.

Completed forms of acceptance, together with related share certificates, may be lodged by accepting Ruberoid shareholders in an envelope addressed to Barclays Bank PLC, New Issues Department (Fleetway House, 25 Farringdon Street, London EC4A 4HD) at any branch of Barclays Bank by 3.30 p.m. on Monday, 12th September, 1988 for onward transmission at their own risk.

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